
MORE
Sensible Selling

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By

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and

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SENSIBLE SELLING

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EVERYTHING FOR THE INSURANCE MAN

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About the Authors

PROBABLY no two men active in the life insurance business today are better qualified than Ralph Engelsman and Vincent Coffin to show others how to produce applications and deliver policies.

Ralph Engelsman has achieved extraordinary success in teaching life insurance selling methods. A million-dollar producer in his early twenties, he now heads his own agency for the Penn Mutual in New York City—an agency in which an average of around 30 established men pay for eight to nine millions a year. No specialist, Mr. Engelsman's prospecting activities run the whole range—from the young man who may be able to save a dime a day, if he's pressed hard enough, to the capitalist who needs another quarter of a million for tax purposes. That fact will be evident to every reader of this book, and it is probably one main reason for his success in building men; all kinds of people need life insurance, therefore all kinds of people can sell life insurance—and there are few men who will fail to find, in some of Ralph Engelsman's methods, an answer for their particular selling problems.

Vincent Coffin made life insurance educational history

as educational director for the Penn Mutual and as director of the life insurance course at New York University. He has had a thorough grounding in field work, as agent and assistant general agent, and has been, for the past several years, superintendent of agencies for the Connecticut Mutual. Mr. Coffin is a rare combination of analyst, teacher and thinker, with the faculty of making the information he gives you so intensely interesting that it is apt to be retained and used. His contribution to this book—the analysis of the fundamentals upon which Ralph Engelsman's sales were built—is one of the sanest, and at the same time most readable and usable compilations of selling facts I have seen.

In More Sensible Selling, Messrs. Engelsman and Coffin have hit a real "high". They tackled a tough job, and they've done it exceptionally well.

—*C. C. Robinson*

Foreword

MORE SENSIBLE SELLING is a book that can be profitably read by the hundred thousand dollar producer, and by the underwriter who pays for a million or more every year.

It is a book that tells you how actual interviews were conducted by a very successful underwriter, Ralph Engelsman. These interviews are then scientifically analyzed by Vincent Coffin. Mr. Engelsman invites you to listen in on the interview, and Mr. Coffin, in his capable way, tells you why the sale was made.

It is my privilege to know many (I might say most) million dollar producers in this country. Aside from a real determination to make or exceed their quotas of a million-plus, I believe their most outstanding single characteristic is the fact that their minds are open, and that they are continuously concerned about obtaining as much practical information as possible. That is why More Sensible Selling will appeal to Million Dollar Round Table members—because it is full of practical, helpful suggestions.

To the man who is paying for seventy-five, or a hundred, or two hundred thousand a year, More Sensible

Selling brings a message I think none of us should forget—that the principles of good salesmanship apply just as definitely to closing the thousand dollar case as they do when the application calls for the company's limit.

I am sure you will enjoy More Sensible Selling; I did—very much.

—Harry T. Wright

CHAPTER I—Engelsman

Why This Book Was Written

THIS BOOK was written at the request of its publishers to fill what they considered a gap in the existing list of titles available to the life insurance man who seriously wants to get ahead—and intends to do something about it. Probably the following quotation from the Rough Notes Company's order to go ahead will explain, as well as anything I might say, what Mr. Coffin and I have tried to accomplish:

"Much has been written about the theory of salesmanship, as applied to life insurance, and a good many books have been published in which this theory is illustrated with stories of sales—actual and imagined. We feel, however, that a great many readers would appreciate and benefit from a complete, honest description of a group of real sales, made by a real agent, and an analysis of each sale—equally complete and equally honest—made by a man (not the agent) thoroughly qualified to take the machinery apart.

"In effect, this means a two-man case book, and we would like you and Mr. Coffin to tackle the job. You may have a free hand in the selection of sales you want to describe, with this exception: we would like them to cover the probable range of the average agent's experience—first sales, repeat sales, conversions, competitive cases, and so on. All we ask is that you tell exactly

what happened, then turn your material over to Mr. Coffin for his *independent* analysis."

We have tried to follow these specifications, to the letter. As a matter of fact, we have probably gone a little farther than the publishers expected. Though we have been friends for many years, Mr. Coffin and I see comparatively little of each other. My work is in New York City and Vincent, when he isn't traveling, lives in Hartford. When we decided to go ahead with this book, we agreed that I was to do my part of the job a chapter or two at a time, sending the manuscript of these installments to Vincent as soon as it was finished. He would then do his part, and forward my material, as well as his own, directly to the Rough Notes Company. In no case was I to see or know what he had had to say until the publishers had it in their files.

Working that way has been a lot of fun—and, to me at least, it has been profitable. To select the sales described in the following chapters, I had to review practically everything I could remember about the work of a good many years. You might be surprised at the number of tried but temporarily forgotten ideas I dug up—and put back to work. And that is considerably less than the whole story. If any reader learns as much as I have learned from a study of what Mr. Coffin has had to say about the why's of my own work, then the time he has invested in reading this book will yield real dividends—in cash.

CHAPTER II—Part 1—Engelsman

The Young Father with "No Money"

JIM JONES was a young man whose father and wife's family were both very well-to-do. He had married when he and his wife were just out of college. Their families built a house for them, and he went into his father's business. He received a salary, enough to pay his personal expenses and allow a little pin money, but he and his wife were being subsidized by the older folks.

I had called to see him about life insurance about five times. Three of the five times he refused to discuss insurance at all. The fourth time we were interrupted, and the fifth time he told me frankly, "Ralph, I know I should have some insurance, but the salary I get here, the only money I can really call my own, is so small that I'm just able to pay for lunches, clothes and take in a show now and then. Why beat around the bush? You know as well as I do that Isabel and I couldn't have married if it hadn't been for our families. We're being subsidized, and if anything happens to me, Isabel will be taken care of, so it would really be a farce for me to try to take any money out of what I'm earning to put away in insurance."

Certainly that was frank enough, and he was a diffi-

cult prospect at the best. I didn't call on him for over a year. Meantime they had a baby daughter. I had an idea, and I went to him and said, "Jim, now that you've got Phyllis, and everything is fine, I'm sure you and Isabel have already thought of her future. She'll probably go to Vassar, just as Isabel did, won't she? Now, I want to ask you a question. If you knew of a plan whereby as her father, not her grandfather or uncle or someone else, but you as her father could make sure that no matter what happened to you, you had provided the money for her to go to Vassar, when she is say eighteen, you could find some way to scrape and save three dollars a week out of whatever you're earning, couldn't you?"

"Let me get this straight," he said, "you mean to say that if I put away three dollars a week . . . ."

"Well, that's one hundred and fifty dollars a year," I interrupted.

"You told me per week," he reminded me.

"I know," I admitted, "but you can pay it quarterly. In other words, about forty dollars every three months."

"You mean to say if I put away forty dollars every three months I could have a policy that would provide that if anything happened to me, there would be enough money for Phyllis to go to Vassar?" He was interested.

"That's just it, it would provide a policy for six thousand dollars . . . ." and then I went on to explain the usual settlement arrangement for an educational set-up.

"O. K.," Jim said, "I'll do it."

This man had been called upon by no less than ten agents I know and had given them, and continued to give them, the same answer he had given me for years.

He now is a substantial policyholder of mine.

CHAPTER II—Part 2—Coffin

Why the Young Father Bought

As stated in Chapter I, it is the function of this commentator to analyze the factors, or motives, which ultimately led the prospect to buy. This is no simple task, for such motives are frequently complex, and escape the casual observer, such as this author must necessarily be. Furthermore, there is no desire to confuse the reader with abstruse psychological theories, but rather, if possible, to make the already clear and simple sale seem even more so. And to uncover the underlying motives in such a way that the average salesman, perhaps lacking Mr. Engelsman's experience and skill, will be aided in thinking through some of his own cases.

From time to time you will have to forgive this commentator if he seizes the opportunity to deliver little lectures, wherever occasion seems to demand, on other phases of the salesman's job besides mere closing. Such an opportunity presents itself in the very beginning of the preceding analysis, where the underwriter states that he called on the prospect five times before getting an interview. Some big producers maintain that if a case is not closed on the first real interview, then we should forget about it. I cannot agree that such pro-

cedure is sound for all underwriters, but in any event, note well the phrase "real interview"; the abortive attempts are not to be considered, and if you think you really have an idea for a man, you may want to call on him until you get it presented even if it requires twenty calls.

Actually, careful planning will ordinarily make twenty or even five attempts unnecessary. If you have trouble in getting down to brass tacks with personal friends, such as this prospect was, try inviting him to your office for the purpose of going over his whole insurance problem. He will usually come, and he is far more susceptible to new ideas in this atmosphere.

Now note the prospect's first statement: "I know I should have some insurance." Here we have a good illustration of the present attitude of the public. This young man had little apparent need for life insurance, yet he had been accustomed to think of it so favorably that he was almost ashamed that he had none. This attitude is at once an advantage and a disadvantage to us in selling. It helps immeasurably to have the prospect predisposed in favor of our product. But that doesn't mean that he is sold, and unless we can show him a vital need, crystal clear, he will not buy. Be careful not to be lulled by his favorable attitude into the thought that no selling remains to be done.

Really this man was scarcely a prospect at all. Although Mr. Engelsman thought he had an idea for him, it was just the general idea that life insurance would be

a good thing for him. Jones already believed that, but it took a far more specific appeal to start him moving. After securing that fifth interview, which was a failure for the reason just mentioned, the salesman realized that this young man merely seemed a good prospect; in reality he had no urgent need and no spare cash. So he was left alone until the birth of his daughter created a more urgent and specific need.

For the first time the salesman had a fair chance. See how simple this sale became after it was properly planned. Go back and read the few lines beginning, "Jim, now that you've got Phyllis . . . ." Here is the complete sales talk in two sentences. A perfect illustration of Mr. Engelsman's classic bit of advice: "If you can sell by saying ba, don't say ba-ba."

The longer I study this business, the more I am convinced that careful, intelligent prospecting reaps a splendid reward when it comes to the sale itself. Note here the use, in these two brief sentences, of the words "Isabel," "Vassar," "grandfather,"—all intensely motivating in their implications, and all impossible of use except for a good job of prospecting.

The primary motives which led Jones to buy were three. First, his natural affection for his baby and desire to do something for her. Second, his desire for the approval of that little daughter, to be directed toward him in the future even if he should have passed from the picture. (A very real force; we are concerned with what people think of us even after we have de-

parted from the active scene—this is the motive power behind many a charitable bequest.) Third, the challenge to this young man to do for his own, regardless of how able others might be to take up the burden. Again see how these three are all played upon by the skillful salesman in the briefest possible space of time.

Finally, please observe that the salesman himself reminded his friend that three dollars a week meant one hundred and fifty dollars a year. How many of us would have had the courage to inject this thought? And yet it is absolutely sound to do so. Selling must be honest, above all else. Nothing impels the prospect to lower his guard more than his realization that he is getting the whole, frank story. The best salesmen are not afraid to tell exactly what the premium is—it must be told eventually, before he can draw a check—and it is advantageous to get it right out in the open. Mr. Engelsman first made it look easy, three dollars a week, but he left Mr. Jones under no misapprehension.

Summary of lessons for you to think about:

1. If you have an idea, call as often as necessary to get it presented.

2. But plan the time and place of the interview so as to cut waste effort.

3. Don't be fooled by his favorable attitude toward life insurance.

4. Be sure you do have a specific idea to present.

5. Then present it as briefly as possible.

6. Remember that advance information will help you close.

7. Examine all possible motives and plan to touch them.

8. Be courageous about the premium.

CHAPTER III—Part 1—Engelsman

The Rich Man Who Didn't Need It

THIS IS the case of a Mr. Montgomery. I had sold his brother life insurance, at which time I delivered the contract in an imitation leather wallet with the client's name embossed on the front. He asked me whether I could get a similar wallet for his brother, who was not at that time buying life insurance, but who would like to keep his old policies in one.

So, I made another investment of sixty-five cents and gave the wallet to his brother. Several years passed, during which time both men prospered—became really rich.

I called on Mr. Montgomery with the idea of selling him insurance for inheritance taxes. I took one of the leading inheritance tax men with me, and together we presented our case.

Our prospect said, "I don't think I am interested. I have no children and my wife will be taken care of despite the fact that she would have to pay substantial taxes. And I now have $100,000 of insurance on my life."

Nevertheless, we presented the usual arguments as to the advisability and the good business sense of using

insurance to provide against whatever taxes there may be, showing that the insurance would pay the tax *for* the estate, instead of out of it. We even offered to make an analysis of his holdings to determine the exact amount of protection needed. However, he didn't want to disclose the value of his properties.

He agreed that what we said might be sound, but always ended by saying, "That's not for me."

Just as we were about to give up, I said to him, "Well, we may be wasting our time anyway, for there's a great possibility that a man of your age (he was then 56) couldn't get very much insurance, even if he decided to buy it. What I suggest is that we make application for a nominal amount—have you looked over first—see whether the companies are willing to issue on your life, and then discuss the buying of this contract."

"Let me ask you some questions," I went on: "Have you ever had any difficulty with insurance companies?"

His answer was "No."

I then said to him, "That's fine—one other question though—have you, within the last four or five years, had any illness that required more than the usual medical attention?" He admitted he had.

I said, "Well, then if you have, tell us about it. Who were your doctors? Give us an authorization to those doctors to give us complete details about your illness. Then let us have you examined and see whether or not you pass. If you do, we can go on with our proposition as I said before, and if you like it you can do business,

but if you can't pass, we would be wasting your time and our own even to discuss this matter any further."

He then told us of the difficulty he'd had. "I think," I said, "it is possible from what you tell us, Mr. Montgomery, that you can get this insurance. However, it will be necessary to have the full story from your doctor. When we get that," I continued, assuming that he had already decided to go through with this, "we will make arrangements to have you checked over. Will it be more convenient for you to do that in the morning or the afternoon, and is your house or your business a better place?"

He said it would be more convenient early in the morning, at his home.

We then said (taking out the application), "Let us apply first for a nominal amount, say $50,000. This may not be enough to take care of your taxes, or you may not want it at all, but we can use this as a feeler to see whether or not you can get this insurance." He signed the application, declaring, however, that he was not committing himself.

He was examined and did pass. We issued out the $50,000 with an additional $150,000 (the total having an $11,000 premium) which the company was willing to offer.

We went back with the contract, and congratulated him upon being able to secure the insurance. (And it really was unusual for a man his age, with the physical

history back of him to have passed such an excellent examination.)

At first he was a little bit awed by the premium, and declared that he had never had in mind the idea of buying that much life insurance.

We pointed out that we had guessed at the size of his estate, and it was probable that the amount we had provided was, if anything, too little. We said, "This may be the last time you are able to purchase life insurance. You are able to get it now—there is a reason for it—the rest is entirely up to you!"

We made no further suggestion.

He gave us the check for the $150,000 and later purchased the original $50,000.

Mr. Coffin will now tell us why he bought.

CHAPTER III—Part 2—Coffin

Why the Rich Man Bought

THIS CASE is materially different from that of Mr. Jones. Right at the start we may observe two bits of strategy used by the salesman, each having to do with the all important matter of establishing prestige. In the preceding sale just studied, prestige did not need to be deliberately developed, inasmuch as prospect and salesman were personal friends, (although even in such cases it is necessary that your friend be familiar with your reputation as a mighty good insurance man). The first item we find in the Montgomery case is the use of the leather wallet. This seems a small point to single out for comment, and of course this sixty-five cent investment is not important in itself, but as stated previously, these case analyses give us an opportunity to think about other phases of the underwriter's job than the sale proper. It is not too much to say that often the interview itself is the least important part of the sale; frequently it is the prospecting, the planning, the prestige, that make the sales talk succeed or fail.

But to return to the leather wallet. This little token of appreciation, given to the prospect's brother, lifted Mr. Engelsman just a little bit out of the general classi-

fication of good insurance men. Here was an agent who had done a favor for the prospect. In the interest of business, of course, but nevertheless a favor. None of us object to courtesies of this sort, if sincerely extended, even though we recognize that the salesman doubtless will have an axe to grind. The trouble with most of us in the life insurance business is that we are too reluctant to put out any of our own money as an investment in good will. Ours is tremendously a good will type of business, and yet we hesitate to make expenditures for future good will unless we can see an immediate return. This is all wrong. Every underwriter should have in his budget a substantial sum of money to be spent deliberately in this fashion. It may not be for wallets, but perhaps for direct mail reminders, calendars, or blotters, or for lunches, highballs, or presents for the baby. I do not know a single successful producer who does not spend, or rather invest, considerable money in the building and continuing of active good will.

The second prestige point is discovered in the willingness of the salesman to bring with him a tax expert. Now I know that Mr. Engelsman has a good every day working knowledge of tax matters. Doubtless he could have conducted the interview with no embarrassment from this angle. But he recognized that however much he might know himself, the prospect would regard him as but slightly qualified on such a subject, and therefore he brought with him a man who could properly be in-

troduced and qualified as a real specialist. This is grand strategy. If I were in the field today, I should try to keep reasonably informed on all such matters. I would be proud and confident of my knowledge. If I attained the C. L. U. I would freely let the fact be known. But—and here is the point—on any difficult or important case I would try very hard to get the help of someone to whom I could give a terrific build-up with the prospect. I would recognize that no matter how "hot" I was, the outside expert would carry more actual weight in his specialty.

So much for the background; now for the interview itself. Observe that we have that toughest of all customers, he who agrees with every point advanced, who says that your points are sound, who likes the idea very much—for someone else. Who won't give you any real information except the utterly hopeless expression "that's not for me." Eventually you are reduced to your last piece of ammunition, which is to challenge him. Challenge him on most anything, but the commonest and easiest challenge is the one used here—can he get by the doctor? There is something particularly personal about this which makes almost any man anxious to assure you that he is physically fit. It has nothing to do with the merits of the case, but they have already been thoroughly expounded. This challenge should never be used unless the prospect has been given sound reasons for buying; otherwise you have high pressure selling in the objectionable sense. A good rule

is, when you have done a good job of selling and the prospect seems to agree, but you can't get any reaction at all from him and can't figure out what is wrong,—then hurl a challenge in his direction. His human nature impels him to respond. Anyway, you have everything to gain and nothing to lose.

Note the technique. Life insurance, taxation, business problems are forgotten. The salesman is intensely concerned (and well may he be) with this man's insurability. He implies grave doubt—"have you ever had any difficulty." Best of all, he gets him "talking about his operation," and both salesman and visiting tax expert become engrossed in these gory details. A little bit of acting, you say? Surely. A little bit insincere? Absolutely not. Remember that these men genuinely believe their prospect badly needs this insurance. He must be shaken out of his complacency.

Please observe that these gentlemen completed this entire sale without even analyzing their prospect's estate and without knowing precisely his tax problem. They would be the first to agree that this was undesirable. But they were faced with a condition, not a theory, and recognizing that he was not going to divulge the necessary facts, they made the best guess they could and *went ahead.* If more of us could but grasp this principle, there would be vastly fewer proposals gathering dust in pigeon holes.

On delivery, we find "this may be the last time you can buy life insurance." A straight fear appeal, a good

one and a proper one. Mr. Montgomery knew that this insurance was good to own. He had no reason for not buying except inertia and the fact that his need was not a crying one. Physical possession of the contract plus the fear build-up did the trick.

Motives in this case were primarily two. On the first interview, fight (I will show these doubtful birds that I am a good physical risk). On the second interview, fear (if I should become uninsurable later I would feel pretty bad not to have grabbed this now). A sound need for inheritance tax coverage put across by two appeals having not the remotest connection with inheritance taxation, but a direct wire to old human nature.

Summary of lessons for you to think about:

1. Desirability of investing money in good will.
2. Desirability of taking an expert on certain cases.
3. When and how to use a challenge.
4. If prospect won't let you analyze his case, go ahead with the best guess—you can finish the analysis later.
5. One way of using fear appeal.

CHAPTER IV—Part 1—Engelsman

The "Depression Convert" Who Was Slipping

HARRY WILLIAMS was one of my best clients. I had sold him over $150,000 of personal insurance, and $30,000 for business protection. I had trusteed his affairs, and we were close friends. He has always been a successful merchant; even during the depression, though he lost money on investments, his business continued good. However, his business is seasonable; booming, then a lapse while the line is gotten together for the next season, then another boom.

In one of his off seasons during the depression, I got him to come to my office and discuss his insurance affairs.

We gave his problem a complete overhauling and he decided, after his experience with Wall Street, that from then on he would put away money in annual premium annuities, and he purchased a substantial amount at the time. In that interview he said: "Ralph, I am telling you now—in the future, if I ever have a season when I have made lots of money, I want you to see that I put some of it away. I'm not going to be hooked again."

Three years passed, and I received a telephone call

one day telling me that, as he expected a big season, he wanted to borrow on his business life insurance. I urged against it, but he insisted that that was what the insurance was for, and he said that he would pay the loan back in July, when his season was over.

It all worked out exactly as he said it would. He used the money to advantage, paid it back in July, and indicated to me that he had had a very substantial season.

So, after his loans had been repaid, I went to see him and said: "Harry, three years ago, when you were in my office, you told me that if you ever had a big season I should see that you took some of the profits and put them away, and I'm here to see that you do just that."

"That's swell!" he said. "It's a good idea, but—although my business has been all right for the last three years, it hasn't been good enough for me to build up any reserve. We need this extra money we have made as a backlog in the business, so that I won't have to borrow again."

"That's all right," I agreed, "there may be something in what you say—but, if you had made $5,000 less let's say, you still would be very happy and consider that you had a big season. So, give me $5,000 and we'll set that much aside at least."

He said "No," that he would have to "use the money in the business." I asked him how much money he needed in the business, and he told me $20,000. Now, I had heard that he made much more than $20,000

that season, so I took a chance. "All right," I told him, "call your bookkeeper in here, and you give me anything over $20,000 on your present balance."

Then he gave me the first indication that he might buy: "I won't promise, but let's see what we have."

But the girl came in and we found that they had less than $20,000—so I was out of luck. My client said, "I'm afraid you have no argument now."

"Well," I said, "there must be some outstanding accounts. From what you tell me you had a big season, and there must be more money here. I'm coming back a little later."

I went back the next week (shortly after the 10th of the month, knowing that at that time his bills would have been paid), but I wasn't going to take the same chance by guessing this time.

"I came back," I told him, "because I have been thinking over what happened three years ago, and then what happened the other day. I tried to be smart and guess at something I knew nothing about, but just because I was a fool, there is still no reason why you shouldn't put away some money. Remember, you told me three years ago to see that you put some money away, and I'm here to see that you do it, no matter what the amount is."

He still insisted that he felt he ought to leave the money in the business.

Then I said; "Now, let's be absolutely honest. As I said the other day, if you made $2,000—$3,000 or

$5,000 less profit, you would still be very happy and would have had a good season. After all, you *commanded* me three years ago, and I'm not coming because I want to sell you. I'm here because you TOLD me that I should insist that this be done."

"I'm sorry," he said, "but I won't do it."

"Harry," I answered, "you and I have done business together for years. You're one of my best customers, and certainly I don't want to get into an argument with you which may gum things in the future. We may split on what I'm going to say now—but—well, you are either going to have to throw me out of here, or give me a check. Because if you don't give me a check, I will not have done the thing that I am sure you, down in your heart, want me to do—MAKE you put this money away!"

On saying this, I picked up a newspaper that happened to be in his office, and started to read it.

He got a little angry and told me to "stop kidding" —that he wasn't going to buy.

I told him that I wasn't kidding and that I would sit there until he did something about it.

After about five minutes, during which time neither of us said a word, he turned to me and said: "Well, will you take a check for $2,000?"

I told him I would, but that I would be back for more, and I walked out with his check for $2,000 on a single premium policy.

Incidentally, he was delighted, and has been talking

about the experience to many of our friends. He is now on his way to another big season, and I am sure that I will be able to sell him a substantial amount of single premium insurance, now that the ice has been broken.

CHAPTER IV—Part 2—Coffin

Why Williams Finally Bought

THIS WILLIAMS case is an unusually interesting one. Offhand, there doesn't seem to be much to analyze, as it is all very simple. And while it is true that there is nothing complicated about this sale, nevertheless, I believe we can learn from it some pretty basic truths.

First let's look at the background. It is obvious that the underwriter had established very considerable prestige with this client. We must remember this fact before we react "I could never do that" to some of the things Mr. Engelsman did. The two men had become personal friends. Much service had been given in the past, and much insurance sold. The trusteeing of the estate had taught the client that this agent knew what he was talking about. The business insurance had already been satisfactorily utilized to help Williams over a tough spot. And recognizing all these things, the prospect had even asked the salesman to insist on his putting more money away in the future. All these factors lift this case out of the ordinary, and put it on a very special plane indeed. You must not think that a life underwriter, however skillful or informed, could adopt so drastic an attitude toward his client in

the absence of very considerable prestige. It would be fatal.

As soon as it became evident that this prospect was making money, the salesman returned with the idea which he had been carrying in his mind for three years. It was still a good idea, but of course the prospect had cooled off on it. He had to admit it was sound, because he had suggested it himself, but his panic was over and he was making real money. When the patient's illness is over and he is strong and well again, he is frequently a little ashamed of the ardent statements he made to the doctor about taking care of himself in the future. So Williams, admitting the value of the idea but not currently feeling the need of the medicine, had to dig up an excuse for not swallowing it. This he found in the business backlog idea. Not a bad idea, as the salesman was bound to admit.

Here and here only Mr. Engelsman got caught. He knew the answer to this objection all right, but he was shy on facts. That is, he had been misinformed about the profits of the firm, and when he found that they had not cleared $20,000, he was through for that day. So he very sensibly went home to think it over. Note here that while we do not recommend leaving an interview without making several attempts to close, that if you get caught on your facts, it is far better to straighten them out and start over again than it is to try to adjust your thinking in the confusion of the moment.

On the final interview the salesman admitted the error of his facts. But on careful study he still felt that the purchase should be made, and that the excuse given by the prospect was not valid. Yet it became clear that Williams would not move. Then came the newspaper reading scene. To understand this, we must remember a number of things:

(1) That the agent had great prestige—mentioned above;

(2) That he was fortified by the prospect's own request made three years earlier;

(3) That he thoroughly believed the purchase desirable for the prospect;

(4) That he did not care if he annoyed Williams temporarily, because he felt so sure that satisfaction would result—as proved to be the case;

(5) That he was convinced the prospect could do it if he wanted to.

In this interview the real lesson is not one of salesmanship at all, but one of mental attitude. It is found in points three and four above. Too many of us fail to sell ourselves to the point of complete enthusiasm and utter absorption, and yet only in this way can we overcome the negative attitude of the prospect. Better not go to see a man unless you are sincerely and genuinely persuaded that the plan you have in mind for him is not only sound, but absolutely vital to his future happiness. Remember that every sale is made in the mind of the salesman first. Then after you are in

the right frame of mind about the necessity of this purchase from the prospect's own point of view, remember also that it is not important what he thinks of you at the moment. The important thing is what he thinks of you as the years pass.

Put it this way. Remembering first that Mr. Engelsman had built real prestige with this man, and that Williams had recognized this in making his original request, we find on analysis a true manifestation of professional life underwriting. The salesman was not discourteous, but he was adamant. Suppose Williams and his surgeon had agreed that in three months the former should have his appendix out. Suppose in three months Williams said to his surgeon that his pains were less, and he guessed he would change his mind. Suppose the surgeon made a new examination and felt the operation still imperative. Williams would then either agree to the operation, or get a new surgeon, as his own doctor would no longer be willing to carry the risk of a patient who would not follow his advice. So in this case, while less extreme in character, Mr. Engelsman properly stood by his guns as financial adviser to Williams—with the proper and expected result.

CHAPTER V—Part 1—Engelsman

Buying Ten to Sell Three

Carl Renhart was 30 years old, lived in New York City in a better middle class district, was a college man with several degrees and employed by a large industrial concern. He earned about $50 a week, was married, had no children, but a partially dependent mother. He was an analytical type—believed in insurance, but because he found it difficult to make ends meet and live as he thought it was necessary to live, he had purchased only $2,000. His wife wanted him to buy more, but she too thought it would be difficult to pay for.

I was just 21 years old at the time, and as he had known me pretty nearly all my life, he thought of me as just a kid. Though he agreed with what I had to say, my arguments carried very little weight. I couldn't get to first base.

I visited Carl and Mrs. Renhart at their apartment one evening—frankly, with no intention of talking life insurance for there were others present. However, the others left early and I stayed.

Mrs. Renhart, by way of making conversation, very kindly asked me how I was doing and how I liked the life insurance business.

I said, "Fine! I'm all excited about it. I think that life insurance is a great thing. But," I added with a smile, "I don't know why I can't sell Carl." Carl spoke up and said, "Don't worry, Ralph, you will sell me as soon as we can afford it—and you'll be the one I'll buy from."

Mrs. Renhart added, "That's right—we both believe in life insurance, but Carl has lots of obligations you know, and as soon as he gets a raise, we'll buy some more insurance. Just now, I don't see how we can."

"You live very well," I replied, "and you have a pretty well assured income. I'd like to tell you a story a man I know told me yesterday. He ties himself up to life insurance premiums to force himself to save money—that is, he wants to protect his family too, but mainly to force himself to save money. He said, 'We've got to steal from ourselves to save, and I always take a little bit more than I think I can afford because when I have obligations, I meet them, and getting premium notices *makes* me save.' "

Carl smiled a little cynically. "That *sounds* good Ralph," he said, "but you don't believe it, do you? That man probably knows just where the money for those premiums is coming from."

I was angry, for I believed implicitly in what my friend had told me. Then Carl added, "And Ralph, if you believe that, why don't you buy yourself?"

This was a challenge. "All right I will," I told him. "I'm only making between $20 and $25 a week, and I

have obligations, too, but I'll tell you what I am going to do. I am going to take $10,000 of ordinary life insurance, myself, right now!" I took out an application and filled it in. While doing so I continued, "This isn't just talk—this isn't a show—I'm going to pay for this, too. I don't know how and where I'm going to get the money, but I'll show you that it can be done. And if I can do that—you can do something too! Certainly, you can't tell me that if you wanted to, you couldn't save a couple of extra dollars a week."

Mrs. Renhart said that she thought I was right—they could save something.

By this time Carl, who was embarrassed, said "Well, I won't buy $10,000, but if I put away say about $75 a year, what would I get?"

I answered, "Three thousand dollars approximately. I'll make out the application now, and we'll both be examined together."

I placed that $3,000 and started him on what has turned out to be a very adequate program, and the cash value on my own $10,000 looks awfully good to me today.

CHAPTER V—Part 2—Coffin

What the Renhart Sale Teaches Us

MY COLLEAGUE presents us the Renhart case as an object lesson to very youthful life underwriters, and yet there is much in this sale to give those of us who are older food for thought.

Renhart was a particularly difficult type of prospect. Analytical and methodical in his thinking, he was a man who might well have gone a great many years without life insurance protection, waiting to buy it until a convenient time should arrive. Inasmuch as a convenient time rarely ever does arrive, Renhart owes a debt of gratitude to this enthusiastic youngster who had the courage of his convictions. And it is a safe prophecy that this policyholder has many times been glad that he started his insurance program when he did.

Quite contrary to the Williams case, our salesman in this instance enjoyed no prestige. He had the friendly interest of the prospect, but that may sometimes be worse than nothing unless it is backed up by respect for business ability as well. The agent was just a nice kid, but not one whose ideas on life insurance should be taken too seriously.

Mr. Engelsman used three devices to overcome this

serious handicap. He may not have been conscious then why he used them, but they were thoroughly sound, just as they are in similar circumstances today. The first was enthusiasm. You are probably tired of hearing that enthusiasm is a basic necessity in selling. But it is, and particularly so where prestige is lacking. Not a noisy demonstration of enthusiasm, but a genuine emotional thrill to life insurance; one which is reflected in eye, voice and manner. Older men greatly enjoy enthusiastic youngsters, and get a kick out of dealing with them. And if you cannot feel enthusiastic about life insurance, then it is not the business for you.

The second bit of strategy was the quotation of a third party. The young salesman knew very well that his personal ideas and opinions carried little weight. Had he brought forth the idea of forcing yourself to save money through premiums as his own thought, there is little doubt that Renhart would have laughed it off entirely. After all, what does a boy of twenty-one know about thrift problems? But when an outsider is quoted, the idea takes on new significance. Even so, the prospect rejected the idea as far-fetched, but it started him thinking nevertheless.

Except in those cases where you know that your own word carries great weight with the prospect, it is always desirable to quote third parties. "A lawyer told me," "many of my clients think," "Mr. X gave me this idea"—these and similar phrases should be automatic in a salesman's vocabulary. Remember that your prospect does not care very much what you think, for he

figures that you have an axe to grind in so thinking. The same idea, in the mouth of a third party, becomes trebly effective.

Third, of course, was the purchase of life insurance by the agent himself. Quite apart from its effect on this particular sale, there can be no question that this young man became a stronger closer from this day on. After all, it requires some sort of sacrifice for the average prospect to buy life insurance, and there is all possible difference in the salesman's attitude if he himself has faced a similar sacrifice and cheerfully made it. Conversely, it is mighty hard for you to motivate and urge a prospect to a course of action that you have been unwilling to take yourself. All this seems so obvious as to render comment unnecessary, but the fact remains that many life underwriters seek to give advice to people who have done a better job of providing for the future than they have themselves. I appreciate that your commissions may not yet be stabilized, but you can do something toward your life insurance program and from the day that you get your own house in order you will find the excuses and apologies of your prospects increasingly easy to handle. I know of no single factor bearing more heavily on mental attitude than your own life insurance situation.

Renhart and Engelsman did each other mutual favors on this evening years ago.

CHAPTER VI—Part 1—Engelsman

Delivering an Extra Ten

SHORTLY AFTER the war I called on a friend of mine who had been too young to enter the war, but who had secured a good job during the boom war days and had been able to save some money; enough, in fact, to have bought a $1,000 Liberty Bond, paying 4¾ percent.

I went to him and tried to talk about putting some money away in life insurance. He said he wasn't interested. He already had an $8,000 policy and for a young fellow 21 years old, he thought that was plenty. I agreed that he had done a good job so far, but I asked if he didn't think it a good idea if he put away enough more to bring it up to $10,000.

He said he wouldn't put away any more money, and that was that. He told me that he had just saved enough to buy his $1,000 Liberty Bond and that he was through saving for some time to come.

"Well," I said, "that's swell, but here's an idea. You can triple the value of that bond and it will only cost you a few cents every three months."

He was curious. "What do you mean?" he asked.

"You can clip the coupons on that bond, which will pay you around $12 every three months," I told him,

"and that will just about pay for a quarterly premium on $2,000 of 20-payment life. You'll only have to add a few extra dollars to do it, but you'll be building up a sort of junior bond, and letting the senior bond take care of it."

He thought it was a good idea and bought the insurance.

That, however, is only half the story. The next day, I met Bob's father on the street. He said Bob had told him of our little plan and that he had approved of it. But, he added, "Ralph, I don't think you are doing a very good job at that. Bob is really making more money than you think he is, and he can stand double the amount of insurance he has now. It's the best thing for him—I wish I had bought more when I was young, and *he'll* be a lot better off if he buys it now. Now, I have always made it a practice to stay out of his affairs except when he comes to me for advice, so, I don't want you to tell him that I was the one who said he could stand more, but here's a tip—see what you can do."

Up to that time I thought I had made a pretty good sale, but what Bob's dad told me was deflating—to say the least. I mulled the situation over in my mind and came to the conclusion that it would be hazardous to go back and try to sell an additional $10,000 by trying to talk Bob into it, but that if I had the company issue out an additional $10,000 and brought it up to show him, I might have a good chance of placing it.

When I got the contracts I went to see Bob. "Here's

your $2,000 policy," I said. "That brings all your insurance up to $10,000 and that's fine. Now, I know what you told me about not wanting to put away any more money, but some day you and I are going to want insurance for the same reasons our fathers have it today, and we can get it at half the rate. As you're in good shape now, I asked the company whether they would consider an additional $10,000 on you. I know this will make you one of the most insured young fellows in our crowd, but you know as well as I do that it's a fine way to save money, and despite what you say about not saving any more now, you're the type who will continue to save anyway. Now, this is Friday. I'm going to leave this $10,000 and you can let me know by Monday whether or not you want it. I know there is absolutely no need for it at the moment (I realize that your mother and father wouldn't have to take in washing if anything happened to Bob), but, as I said before, some day you are going to want it for the same reason your father has it today. I'll be in Monday." Then I started to leave. Before I got out of the place he called me back and let me have it. He said he had ordered $2,000 and he didn't want an additional $10,000, and furthermore, if he did want it *he* would tell me about it. In other words, he let me know in no uncertain terms that he was upset about my bringing the additional.

My answer was, "Bob, you are under no obligation whatsoever to take this additional insurance, but you're

in good shape and the company is willing to issue it—it is a way to save money, and it is an opportunity to buy now if you want to. If not, nobody has done you any harm. After all, if *you* save money, I'm not going to get the benefit later on—my business is to sell life insurance, but the only way I can sell is if what I have to sell will help the fellow do what he hopes to do. On thinking this over, I'm sure you'll realize that I haven't done anything but give you an opportunity to buy, and frankly, at the same time, given myself an opportunity to do some business. Keep your shirt on—I'll leave this here and come back Monday—if you want it you can have it, and if not, no harm has been done. That's fair, isn't it?" With that I walked out.

I was a bit upset about the whole thing for fear that I had overstepped myself, but then I remembered what Bob's father had told me and I was sure that if worst came to worst, he would back me up, at least to the extent of straightening out any misunderstanding there might be.

On Sunday night I met a mutual friend of ours. "Ralph," he asked, "what happened between you and Bob? He was burning up—he was boiling over! He told me that he bought a $2,000 policy from you and that you brought up an additional $10,000. 'I'm so mad,' he told me, 'I've a good mind not to take it'."

I got my annual check for $283 the next morning—and have sold Bob five times since.

CHAPTER VI—Part 2—Coffin

Where and Why Pressure Is Needed

SOME OF RALPH ENGELSMAN'S prospects might not look like prospects to the rest of us—a youngster of 21 already owning $8,000 of life insurance, for instance. Perhaps that is a point right there; this underwriter in his prospecting thought below the surface and realized that the boy was making money, had bought life insurance and a bond, and was definitely on the road to being a thrifty person. An easy type to talk to, after all.

There wasn't much logic in asking this lad to "round out his line" from $8,000 to $10,000. Many life underwriters might scoff at this appeal as being out of line with a strict analysis of needs. Such scoffers make me tired, for they have failed to realize the worth and value of their own product. To give the greatest and broadest service you need to appreciate that if a man has any spare money to save, he can do so in no better way than through life insurance, whether a programming job indicates that he needs more or not. Let that not be taken as disparagement of programming, which is admirable in its place, but which can serve as a hindrance as well as a help to sales if regarded as an end in itself rather than as a means to an end.

But to come back to the point. There still wasn't much logic in seeking to bring this total to $10,000. But there was an emotional appeal there which, if soundly grounded, is more important. The appeal to pride. Back when this case was written, $10,000 was an awful lot of insurance for a young man just reaching his majority. You may be sure that the salesman realized this, and that the round smacking sound of "ten thousand dollars" was not lost on the prospect.

So much for a starter. The prospect, as usual, said no. Then the salesman employed one of the oldest devices of selling. By making use of available funds, not a part of the boy's salary, he made it look like something for nothing. When your buyer balks at the premium, there are two things you can do. One is to keep on selling and make him want it more badly. The other, and simpler, is to make it look easier to get. By translating the premium into terms of Liberty Bond coupons, the salesman did exactly this. And he cinched it by the excellent thought of tripling the value of the bond, plus the idea of the senior bond taking care of the junior. All this is fine talk and fine ideas for a prospect of this type—high finance right in his own front yard, mighty appealing and flattering to his budding financial vanity. Perfect illustration of talking the prospect's language.

Then Mr. Engelsman met Bob's father on the street, and the father said, "I wish I had bought more when

I was young." What an encouragement this was to the young salesman, and what an encouragement it should be to any of us, then or now. Fifteen years ago I used to ask youthful prospects to check with their elders, and the results were usually gratifying. It would be even more so today. Next time your tender prospect is hesitating, hail the first older man you see and put the question; you will get a confirmation.

Fortified with this conversation, the agent ordered his extra 10. Subsequently you will recall that he was fearful lest he had gone too far, and been guilty of bad underwriting. And so we would accuse him, had it not been for the talk with the father. This talk opened up an opportunity and created an obligation, and the salesman wisely and properly went back with the second contract in his pocket.

Now the trouble began. Mr. Engelsman apparently sensed it coming, for he didn't even try for an immediate close. But don't think that he just threw the additional policy at his man and went away to let him think it over. If you will look back to the sale you will see that there was plenty of motivation given Bob in a few words. "You will want it for the same reason your father does"—not only a good and true statement, but an indirect introduction of the influence of the father, whom Mr. Engelsman was not at liberty to quote directly. "This will make you one of the most insured young fellows in our crowd"—again the pride and leadership appeal, subtly handled and ever so power-

ful. "Help the other fellow do what he hopes to do"—reminding Bob of his own ambitions and showing once again the appreciation of the salesman for the life insurance that he was selling.

Now I suppose that the placing of this extra policy was done by what some would call high pressure. The prospect obviously didn't want it, he was annoyed with the agent, in fact he was furious (although secretly flattered all the time). Yet he decided to buy all by himself over the week-end. Well, is this a proper way to sell life insurance, or isn't it?

The opinion of this reviewer falls definitely in the affirmative. What is the best test of good salesmanship? I think it is found in the ultimate satisfaction of the buyer. The answer is in the final phrase, "and have sold Bob five times since." My own definition of high pressure is where the customer is disgruntled over his purchase. It is legitimate pressure where the buyer fights and balks and howls and squawks, but is delighted with his purchase and boasts about it to his friends.

Let's have an end of pussyfooting. Professional life underwriting is grand, if it doesn't emasculate the selling job. With life insurance as good as it is, and with the procrastination of prospects as bad as it is, we need plenty of pressure. Go to it.

CHAPTER VII—Part 1—Engelsman

He Wanted to Reduce His Insurance

I HAD SOLD SYLVAN COPELAND three or four times, which, added to what he had bought before I entered the business, brought his insurance up to $32,000.

Since then he had married—had a child—and the going was a little tough. I received a telephone call from him one day asking me to come up to see him as soon as possible.

When I got there, he told me that he was sorry but he didn't see how he could possibly keep up all the insurance he then had. He told me that while he was making a nice living, his commissions were not quite as large as they had been and he feared for the future, and so he thought he had better cut down immediately.

"Perhaps you are right," I said. "The main thing to do now is to see what we can cut down, and how we can arrange your remaining insurance so that it will do the job for your wife and your little daughter."

"Now, you have a total of $32,000 haven't you?" I went on. "The first thing we better do is set up a small amount of money, say $2,000 to take care of any clean-up expenses should anything happen to you at this time (incidentally, I knew that he had very little other prop-

erty). Now, I am going to ask you a simple question: What would you consider the least, not the most, but the very minimum you feel Mrs. Copeland and your daughter could get by on should anything happen to you?"

He said, "About $200 a month."

Then I said, "We have $30,000 to provide approximately $200 a month. Of course, if we left that at interest, it would hardly do the job, would it? (companies were then paying between 4½ and 5 percent.) That would still leave quite a discrepancy. So, the best we can do is to try to distribute this at $200 a month over a period of time. Let's see how long this $30,000 would last on that basis. It would last approximately 17 years. Now, the least length of time you would want this income coming in would be until Eleanor grew up and was able to take care of herself. That's true, isn't it? Especially now, when you are a little dubious about money coming through any other source. For the next four or five years you would want to have the peace of mind that that minimum would be provided for each month for them. Of course, all you need is a few years of good business which will come eventually, and you'll be on your feet again.

"But, the way it looks to me at the present time is that you really ought to have an additional $5,000, if only on what we call term insurance, which is pure protection at the lowest cost, and arrange it so that your wife and daughter will have this income for a bit over 20 years. This would mean that there would be plenty

of time to educate Eleanor and put her in a position to take care of herself and her mother and leave a little income for your wife for life.

"So, instead of dropping any, I'm going to suggest something that may seem very funny, but I really think you should find a way to get another $10 or $15 every three months and take on this additional insurance, which will do the job for your wife and Eleanor as you want it done."

Believe it or not, he followed my suggestion and all the policies are still in force—the term having been converted some years ago.

CHAPTER VII—Part 2—Coffin

Why Copeland Changed His Mind

THE SYLVAN COPELAND case comes the closest to being typical of any that we have yet analyzed in these pages. Typical in the sense that here we have a common, garden variety of prospect who feels he has too much insurance, and who is converted without much difficulty by the simple and sensible means of reminding him why he bought the insurance in the first place. And this sale is especially timely, for you must be encountering every day men like Copeland, and sometimes wondering just what to do with them.

Certainly the first thing not to do is to argue. If you begin by telling such a policyholder how fine his insurance is, how terrible it would be for him to lapse, how unfair such a procedure to his family—these and similar arguments are only those against which he thoroughly prepared himself before you arrived, and your presentation of them, however vigorous, simply stiffens his resistance. No, the first job is to get him to lower that guard, raised sky high by him in anticipation of your call. He dreads the interview a little, for he knows down deep that your arguments will probably be sound, and for that very reason he must steel himself against

them. How pleasant and relaxing, therefore, for Copeland to hear: "Perhaps you are right. The main thing now is to see what we can cut down."

I wish we might devote several chapters to this business of getting the guard down, it is so important. An interview should be a friendly conversation between two men, directed by one but participated in by both. Let your prospect truly feel that you wish to be helpful; get away from the "hammer and tongs" idea of salesmanship. Naturally, you must be sincere, and if no further need for insurance develops, you must admit it freely, although as we all know such a circumstance is rare.

After presenting his prospect with the pleasant surprise of a reasonable attitude, Mr. Engelsman proceeds to do a *simple* job of programming. Just as in the last case covered programming would not have done a bit of good, in this instance it was invaluable. By no other means could Copeland so readily have "sold himself," which was necessary under the circumstances. A simple enough sale: $2,000 for clean-up; $30,000 for the family; not enough if left at interest; must use some principal; must see that Eleanor reaches maturity; must have $200 for at least 20 years; must have a little more insurance to accomplish this minimum. And don't miss that constant emphasis on the *least* amount, not the most. Surely all this should have been obvious to Copeland before the salesman called. But it wasn't. He kept his insurance in force, and he bought more.

Beware of this assumption of the obvious. Or to put it in simpler words, realize that the prospect almost never has a clear conception of his needs for life insurance, no matter how well he has been sold. This is the big lesson for us in the Copeland case. Generally speaking, each sale may be divided into three steps: The uncovering of the need, the outlining of the solution, and securing immediate action. The first two steps must always be present in one form or another; occasionally the third step follows automatically as it did in this case. Too many underwriters jump rapidly over the analysis of the need, on the theory that it must be clear to the prospect anyway, and concentrate their fire on the solution, i.e., the form of policy, amount of insurance, mode of settlement and the like. This is all wrong. No matter what the prospect says about "knowing that he ought to have more life insurance," of "recognizing it is a fine thing," or "being extremely enthusiastic about life insurance," don't let yourself be fooled. Even when he means it, such a man should receive your careful analysis of his need and he will never buy until you get him down to brass tacks and he sees his definite and specific need for life insurance today.

Take business insurance, for example. Do you suppose that if Leon Gilbert Simon encountered a prospect who said, "I have always believed that business insurance was a great thing," that Mr. Simon would proceed with a discussion of the form of policy to be employed? He would not. He would begin at the beginning, per-

haps with questions about the present agreement existing between the partners, in order that he might show them their need clearly.

More than fifteen years ago Griffin Lovelace taught us to sell on the basis of definite and specific needs. Then the boom came, and the depression came, and the institution of life insurance did so magnificently that the public began to praise us openly. This may have turned our heads a little, until we felt that we had only to mention a form of life insurance to arouse a prospect's desire. No, my friends, the only way substantial buying desire can be aroused is in the old fashioned way with pencil scratching on paper, to show the prospect, in friendly fashion, why he should buy. His need, crystal clear.

CHAPTER VIII—Part 1—Engelsman

Handling the Man Who Wants a Rebate

I HAD BEEN CALLING on an old acquaintance of mine for a number of years, and though I always seemed to make an impression, I never did get him to the point of actually doing business.

One day in talking to him about a minimum income program, I stressed the disability portion of a life insurance contract issued at that time. The idea seemed to click particularly well with him, and he started to ask questions as to the price of the policy, the disability clause and so on, indicating to me in a number of the usual ways that here was my opportunity to close.

So I suggested that he be examined. He agreed to do this and I took out an application to secure his signature. He answered all the questions and signed the application.

Everything was going along smoothly, and so, as is my usual custom, I said, "You can make your check payable to the company for $............" Then I wrote out the binding receipt and proceeded to tear it off when he stopped me.

"Wait a minute Ralph," he said, "that's all very well

and good, but if I do business with you I want you to know that in the past I have always been able to secure, well, what I call a discount, but what you may call a rebate. If I give you a check in full, I want you to know it would simply be because you are a friend of mine. It would be just like throwing money out of the window."

The cat was out of the bag. My prospective client had never had the nerve to tell me what was on his mind, and had let me come to see him all these years without giving me his real reason for not buying. Now that I had something which particularly interested him, he had finally gotten up the nerve to spring the rebate idea. I made up my mind right then and there that I would either get this business or lose it in very short order.

"You know the way I conduct my business," I told him. "If you buy this contract you will get one hundred cents worth for every dollar you put in, and I expect to make every dime of commission that is due me. I have gotten along up to this time without your business, and I don't want it now." With that I tore up his application, threw it on his desk, took my hat and started to walk out.

He called me back, apologized profusely, and gave me his check in full.

CHAPTER VIII—Part 2—Coffin

Skip the Ethics and Crack Down

THE EXPERIENCED underwriter learns to be suspicious of any sale that progresses too smoothly and swiftly to a close. Generally in such interviews, where the customary objections and hesitations of the prospect are lacking, we are fearful that some sort of "selection against the company" is in process. Most frequently there comes out eventually the question of uninsurability, but once in a while it's the business of rebate, and I'm glad that Mr. Engelsman has brought it right out into the open. Most underwriters today tell me that they rarely encounter this specter, and for that very reason are especially unprepared for it when it does pop up.

In analyzing these various cases, we seem unable to keep very far away from the subject of prestige. And that's quite proper, for as pointed out earlier, it is one of the significant factors in selling today. Its favorable effect is shown here in the prospect's timidity about mentioning his unpleasant suggestion. He did not even demand a rebate, but indicated that if he didn't get one, as he appeared to think likely he would not, that it would be the first time he had been so mis-

treated. All this is evidence of the fact that he really wanted to do business with Engelsman. Whether this was because of personal liking and admiration, or because he valued the insurance advice he would receive, is not clear nor does it matter much, for in either case it represents a type of prestige developed over the years of contact between the two men.

This background made the situation relatively easy for the salesman, although it is probable that it looked hard enough at the time, and doubtless he felt he was going to lose the business through his drastic reaction. This is a pretty good illustration of the best defense being a strong offense. Some readers may wonder why the agent did not go into an explanation of why a rebate is unethical and illegal. I believe he was right to skip this, for if a man is of the character to seek a rebate, knowing perfectly well that it is out of order, it does not seem to me that a dissertation on business ethics is likely to have the slightest effect on him. In this case the underwriter simply made his disgust apparent and dramatic, and it became immediately evident that this prospect cared more about what the salesman thought of him than he did about saving the commission. And this is not as unusual as you might think.

Desire for the approval of others is a strong driving force in us all. In this instance this desire for approval is at war with the man's acquisitive tendency. Either side may win the battle, but remember if you ever run into such a case that your morally weak prospect

will be moved more by what people think of him than by the ethics involved.

So take a good crack at him, as was done in this case, and if it works out the wrong way, forget it. It is not of such men that you will build the loyal and permanent clientele you seek.

CHAPTER IX—Part 1—Engelsman

Another "Round Out Your Line" Sale

PAUL GREGORY was in my office. He had come to discuss the revision of his insurance program, particularly with reference to the tax situation. For the last few years he has often come to my office to discuss life insurance with me because he is a very busy man today, and would rather talk about his personal affairs undisturbed, away from business.

His history as my client is an interesting one. The first policy I sold him was placed when we were both 21, and the amount was $2,000. Since then he has gone ahead to the point where he is now an owner of the business in which he started as a clerk.

Up to the interview I am describing, I had been building his insurance program, changing it from time to time as he grew until now he had $291,280 in force.

There was really no reason for additional insurance; his program was complete; but inasmuch as I had sold him from time to time, I simply made a stab at something more.

"Listen Paul," I said, "there is no reason for me to say this, but $291,280 is an awfully odd amount of insurance to have. Why not let's bring it up to an even

$300,000? You and I have both grown together, and I'd like to be able to tell about the man I had started with $2,000 and brought it up to $300,000, and you would probably like to tell people about it yourself. If I say $291,280, it is such a crazy amount—it doesn't make nearly as good a story."

"I think I'll do it," he replied, "but not just now—some time in the future, if I have a little odd cash, I'll bring it up to an even $300,000. I think it would be fun to do it."

Just then I received a telephone call from my wife. She told me that the gas heater in our house had broken down and she wanted to buy a new attachment for our oil burner. I told her that it seemed quite expensive to me, and we had quite a discussion about the advisability of buying this new contrivance. All this time my friend and prospect was in the office, quite amused, and very much interested in the conversation. As a matter of fact, by motioning and whispering he suggested that I go ahead and buy the new gadget because he had just bought a similar one and was very satisfied with it, and he urged me to cooperate with my wife to the extent of letting her make the purchase—which I did.

As I hung up the receiver, I turned to him and said, "You got me into this, now you have to get me out."

I took out an application. "Here," I told him, "we'll bring this up to $300,000 right now—not two months from now. I have to pay for this oil burner."

He laughed—thought it was a grand joke—signed the application—was examined—and I got a binder before he left the office.

CHAPTER IX—Part 2—Coffin

Whatever the Reason–Sell Him

For the first time this reviewer finds himself not especially impressed by the illustration his colleague gives. But I suppose it wouldn't be much fun, nor quite human, if we agreed all the time on all points.

Furthermore, in launching this series, Mr. Engelsman and I agreed that he would take the cases as they came to mind, including some that were not ideal, in order to give a cross section of the actual work of a life underwriter over a period of years.

The history of the building of Paul Gregory's insurance estate from $2,000 to $291,280 over a period of years might well enough be fascinating to read and study. The sale of the final (and it sounds so "final") $8,720 leaves me a little cold.

Of course, this case brings out two good points, but we have had them better illustrated by Mr. Engelsman in earlier pages. One is the pride angle; that sometimes folks will buy insurance for no better reason than to give them a total sum that really sounds like something: "three hundred thousand dollars."

And there is absolutely no reason why we should not play on this perfectly legitimate pride, as was done

in the Gregory case. More insurance than you and I realize has been sold just on this idea with very little else. All right it is, too, provided we remember point number two: additional life insurance is always a good thing for a man, provided he can readily afford it, even when no specific need is apparent. What I mean is that if we believe sufficiently in life insurance ourselves, we will always feel we are doing a man a favor when we get him to increase his line for any reason at all.

Any of us could make a little sale like this to an old friend and client if conditions were just right and our wives telephoned at the appropriate moment. Next time, Ralph, better pay for your own oil burner attachment to go on the gas heater, whatever that is.

CHAPTER X—Part 1—Engelsman

"Do You Want Our 7½% or Our 6% Loan?"

A CLIENT OF THIS OFFICE came in one day asking for a particular agent. As this agent was not in I invited the client to come in and asked if there was anything I could do.

He replied that he wanted to see the agent, but perhaps I could be of some assistance to him, as it was urgent that he make a loan on his contract.

Then I did something which I have done again and again. "Mr. Mack," I said, "do you want to take our 7½ percent loan or our 6 percent loan?"

"What do you mean?" he asked.

"You are borrowing approximately $1,000," I replied. "Under the regular 6 percent loan, if anything happens to you, Mrs. Mack would receive the face amount of your policy less this $1,000 loan. BUT, we have found that men have often been willing to borrow $1,015, instead of $1,000 (or in other words, spend 1½ percent more than 6 percent, which is usually required on a loan) with the understanding that should anything happen to them the full face amount of the policy would be paid. They have found a great deal of satisfaction in protecting this loan by what we call a term insurance

policy of a like amount, until the loan is repaid. That way their families will have just what they originally intended them to have before it became necessary to mortgage the contract. If you are in good physical condition we can make that type of an arrangement for you."

He thought it was a fine idea and bought the policy.

Incidentally, the policy has been converted since, as have many other term contracts written on the same basis with exactly the same simple talk that I used with Mr. Mack.

CHAPTER X—Part 2—Coffin

Worth Learning As Is

THIS IS A QUICK SALE or none at all. Its virtue lies in its extreme simplicity. There isn't a great deal about it to analyze; the whole story lies in the opening sentence: "Our 7½ percent loan or our 6 percent loan." This arouses curiosity, is interesting, and makes the suggestion seem so perfectly easy to act upon. And the suggestion itself is obviously a good and sound one.

Right here we have in miniature, so to speak, a pretty complete sales talk. It has an approach which is direct and interest provoking. It develops the need, in very few words but with perfect clarity. It describes how the plan works. It quotes the premium in language the client understands. It refers to Mrs. Mack by name. It quotes the opinion and action of other clients. It mentions their great satisfaction in such a plan. It reminds him that the loan is to be repaid. It makes the deposit seem so small—only 1½ percent of the loan. It has an easy and natural medical close. Not much missing, is there?

We can learn much from Mr. Engelsman of the value of expressing ideas briefly and simply. On first glance,

it hardly seems that this could be a sales talk. But the idea is simple itself, and why complicate the presentation? A few well chosen words, directly to the point; they are hard to beat.

A word about habit. Habit can be at once such a help and such a hindrance to us, depending, of course, on what sort of habit it is. At any rate we can be sure that habit won't leave us alone. This salesman years ago formed the habit of always asking prospective borrowers about the 7½ percent loan, and as a result the question has become second nature to him, he has written a good bit of extra business, and performed an excellent service to the beneficiaries.

Many of us have read or heard this type of sale for years, always thought it was good, and have never done anything about it. Of course the way to form a habit is to start. If you lack the habit of attempting to insure policy loans, grit your teeth and force yourself to make a try on the next one. Use Mr. Engelsman's exact approach. This is a habit worth forming. It will make some money for you, and it is part of the service you owe your clients.

CHAPTER XI—Part 1—Engelsman

$2,500,000 Without a Cost Figure

ONE DAY a broker friend of mine called me on the telephone and told me that he had a very large business case, and that although he had the "in," inasmuch as one of his brothers was a member of the firm in question, he was in competition with several other insurance men who had submitted a number of plans on a cost basis. He wanted me to help him write the business. He told me the amount might run into the millions.

Naturally, I was excited. Frankly, I not only was excited, but a little bit scared too, for up to that time it was the biggest sale I had ever tackled. I asked for further details, and made an appointment to meet him at the prospect's office that afternoon. He asked me to have all the figures with me, as I would present them.

Having the men's ages, I went to work, and, contrary to my usual method of operation, made a lot of premium calculations. Also contrary to the way I believe insurance men should operate, I put my rate book in my pocket. As I started out, I got as far as the elevator when I became a little bit annoyed at myself for being so excited because of the size of the case, and

while waiting there, I decided that if I was ever going to make the sale, it was to be made as Ralph Engelsman would make it, and that the amount involved should have nothing to do with the method of preparation. So, I went back to my office, left my rate book and the figures I had prepared on my desk, and decided I would use my usual business insurance approach in trying to handle this matter.

I met my broker friend at the appointed time. He asked to see the figures I was ready to present, and when I told him I had none, he practically hit the ceiling. However, I persuaded him to take me in to see the members of this firm anyway.

When we got in, the senior partner said to me, "Well young man, where is your plan?"

I said, "I have no plan. I don't think it's very intelligent to submit an idea until I see what it's all about." Then I said, "Gentlemen, I'd like to ask a few questions before I make any suggestions. What is the purpose of this insurance? Exactly what do you want it to do for the firm?"

They told me in detail just what they had in mind, and it was obvious to me that it would be advisable to have a partnership agreement drawn, and a term policy bought immediately to cover the agreement. This was for two reasons. First because they were in the investment banking business and wanted to put up the smallest premium they could at the time, and second because the set-up of the business was such that there were

likely to be a number of changes in the course of the next ten years.

"Gentlemen," I told them, "you don't need an insurance man as much as you need a lawyer. The thing that you have to do is to have in writing what you just told me, so that you and your families will understand what you are driving at in distributing your varied interests in this partnership. Of course, the main thing is to have money on hand to distribute, so I suggest that you call your lawyer this afternoon, tell him what you want and have him send a temporary agreement covering whatever policies we can get for you now, and have yourselves all examined and see whether you can get term insurance up to, let's say $1,000,000 on each life, and get the insurance in force as quickly as possible. I warn you, it will be difficult to get this amount, but I suggest that you arrange for the appointments tomorrow morning, and authorize your cashier to pay for this insurance, up to the amount you decide on, as soon as the examinations are made."

The senior partner turned to the other partners and said, "That's exactly what I thought. We need a lawyer. What we have to do is put it down in black and white and get this insurance in force as quickly as possible. You are absolutely right young man. How will we go about it?"

I explained the details to them, and then, and only then, one of them said, "What will it cost?"

I said, "About $60,000" for the amount that they had

set, which came to a total of $2,500,000 of insurance.

My broker friend then said, "No, it will only cost $54,000." He had previously figured this case from every angle.

I laughed and said, "We don't know just where we can get this insurance, and I merely quoted round figures. If I told you $54,000 and it came to $55,000 you would be a little upset about it." Then, smilingly, "This way it will seem like you have saved about $6,000."

They laughed and said to "Go ahead." That's all there was to it, except the getting of the insurance, which you, the reader, can imagine was a little difficult.

However, we did get it and all the business was placed, plus some personal ordinary life on a member's life.

What Sold This Jumbo Case

HERE IS THE first really gigantic case we have had. The agent admits that he was a little scared of its size; the reviewer admits that he has something of the same feeling in attempting to analyze it. But just as the salesman discovered that his tried and true principles were not altered by the magnitude of the case, so doubtless shall we discover that it is not very different in essence from those we have had before.

The heart of the first interview lies of course in Mr. Engelsman's decision to leave his figures at the office and proceed in accordance with his usual habit. This was smart from two angles. First, because none of us can be very effective trying to use a method entirely foreign to us, simply because that method seems to be indicated in a given case. We do far better to be natural, to be ourselves, to use the type of selling to which we are accustomed and in which we believe. This should always be remembered when we read an article or hear a talk by some extraordinary salesman. Our aim should be to take such of his ideas as we can adapt to our own personalities and selling philosophies, rather than attempting to ape or imitate his exact plan.

That statement might be interpreted by some as an indictment of organized sales talks. We do not hear as much about organized sales talks as we did a few years ago. This, in my judgment, is nothing more nor less than the normal swing of the pendulum, and I predict that within the next five or ten years organized sales talks will be rediscovered again. Be that as it may, I have suggested above that we should use methods in line with our personalities and selling philosophies. Organized sales talks may or may not be in line for you, and this isn't the place to debate the issue. But in the case we are studying, the presentation of premium and dividend figures on a large term case would have been definitely out of character for the salesman involved. And he had sense enough to recognize it.

Second, leaving the figures behind was smart for another reason. You do not have to be in this business very long to recognize that where a lot of agents leave figures on a case, and nothing else, the most frequent outcome is no sale at all. I don't know whether or not Mr. Engelsman's company had a low net cost at this time. What difference does it make? Several millions of term insurance were known to be involved, and certainly many companies would be used in such a case. But even if one company could have handled the deal, and happened to be at the time a little lower than the others—would that have closed the case? It would not; the case had to be closed like all others, big and little, by an idea.

There seems to be a recent tendency to bring net cost more into the selling picture. You will claim that this is because of more discriminating buying on the part of the public. Well there is something in that. But the way to meet his discrimination is by demonstrating the superior quality of your sales ideas and service. These need never change; the net cost of your company very well may. Agents, participating and non-participating, make a great mistake when they forget that life insurance was sold by ideas in 1880, 1920, 1929 and 1937. After all, what do you care which steamship line has the lowest fares to Europe if you hate sea voyages and can't bring yourself to face the possible mal de mer?

The approach to the interview through the medium of the legal agreement was the intelligent approach. Just as in selling an educational policy you would want to know whether the youngster was going to college and where, so in a business case you want to know the exact purposes to which the insurance money is to be put. Sounds too obvious to mention, yet those who merely left term insurance figures on this big case missed the basic point we have stressed so often—analysis of the need.

Of course this case was pretty well sold in the minds of the firm before this interview. It isn't often that a man would say, "We have to put it down in black and white and get this insurance in force as quickly as possible." My point is that had the interview opened

on comparative figures, it would doubtless have stuck right there. The salesman turned the minds of the partners to the aspects that really interested them, and in that interest they forgot about the figures, as many men have done before and will do again.

The round-figure quotation of the premium was good. The broker didn't understand it, but it was good.

CHAPTER XII—Part 1—Engelsman

Converting the Case Six Years Later

IF I HAD just read about the preceding case, I believe I would like to know what happened to it eventually, so, gentle reader, here you are:

After the case was written, I was out of the picture, and the original broker continued to handle it. He fell in with another general agent who attempted to convert the business (it was on a 10-year term plan) a number of times by presenting a complicated system of borrowing and so forth and so on, but he never did get to first base. Probably I could be criticized for negligence in not keeping in close touch with this case, but at this period I was attempting to build a new agency and was not able to pay as much attention to old brokerage contacts as I would normally have done.

I met the broker on the street one day after six years had elapsed, and told him that inasmuch as I had helped him write the case, I would like to help him convert it. He told me that he had tried a number of times himself, but he would let me try it. However, he said that first he would go down and see his brother himself, and see what could be done about it without me.

The next day I received a telephone call saying he

would be very glad to have me help now, but his brother had told him that they were thinking of dropping the whole thing, as the cash on hand was piling up in their business, and it would not be difficult to liquidate should anything happen at this time.

In the meantime, I heard that two of the members of the firm had been sick and were no longer insurable, so I said to my friend, "I'll take a shot at it anyway."

We went down to see the head member of the firm, who received us coldly. He said he was glad he had had the insurance over the time, and it had served its purpose, but he saw no reason to convert, and they were thinking of dropping the insurance.

I said, "That's perfectly all right, but it does seem a shame to give up something that you can't get again. If you knew that you had in your possession one of the most priceless rubies in the world, and you knew that someone was going to take it away from you, you would do everything possible to restrain them. Now, it so happens that since you took this insurance, the companies have not only cut down on the limits they will take, but I believe that at least two of your members could no longer get this insurance under any circumstances. Here is something from the insurance standpoint, which is as priceless as that ruby, and if you don't want this insurance, I would like to ask your permission to let us (meaning the broker and myself) go to some of your customers and people from whom you buy, whose very lives you influence financially by

the way you conduct your business, and offer this to them. You know you can give them the opportunity of buying this by assignment if you want to."

He said, "Well, I never thought of it in that way. I'd like to think it over a bit. How much will it cost to convert this?"

I told him about $130,000. And again I must say that when I said it, there was a quiver in my voice, because I'd never heard of anyone paying that large a premium. I was about to say that we could stagger this by the month in some way to make the payments easier when he said, "Well, that isn't so bad, if we want it."

Then I went to work again. We came back to the agreement and showed how the insurance fitted the picture just as well today as it did before, and how the money for liquidation of an interest would be provided from the outside rather than from within. I presented all the usual arguments for business insurance, always dramatically playing up the fact that this was something they could never get again, paying particular attention to the illustration (used originally by Nathaniel Seefuerth) of three circles showing the three

ways of getting money to pay out an interest at the death of one of the partners:

1st—by taking money out of capital. This costs 100 cents on the dollar out of your own principal or that of the firm.

2nd—by borrowing. This costs 100 cents on the dollar, plus interest and the principal necessarily being returned to someone.

3rd—by building up a self-completing reserve through life insurance, and simply paying a small premium each year out of the funds of the firm while all the partners live and are active, rather than seeking the money from one of the other sources at a time of stress, and when one of the partners, who may or may not have been the most important one, was out of the picture.

I repeated and repeated this illustration, as it fitted their particular case.

In addition to this, each time I presented this thought I added, "And, of course, gentlemen, in addition to all this, if you should decide not to do this now, but wanted to do it say three years from now, that would be impossible. This insurance is yours if you keep it; it can never be replaced if you don't keep it."

So, several meetings were called, and the business was converted.

I am glad to say the policies are still in force, and I should say that the broker is even more pleased than I am.

CHAPTER XII—Part 2—Coffin

How the Conversion Was Made

NOW WE FIND the senior partner cold rather than cordial. Six years have passed; conditions have changed radically in the world at large and in this particular business. The firm had prospered, so the matter of premium again was not paramount, but that very prosperity seemed to remove the need for insurance felt so keenly six years before. Not a very encouraging situation.

Yet the sale proved even simpler than the original. Only two factors seem to have been involved. First, a review of the aims and objectives that led them to buy in the first place. Second, a stressing and re-stressing of the fact that they owned something they could never get again.

The first factor needs little comment. By the use of the simple yet convincing Seefuerth diagrams, the salesman reminded them that their present prosperity still did not remove the problem of buying out a deceased partner's interest. True, it was not as great a problem in view of their current prosperity, and yet they had apparently forgotten that it might be a problem at all. Certainly the superiority of life insurance

as a liquidating agent had escaped them, in short, like policyholders everywhere, of business and personal insurance alike, they did not remember the whole story of why they had bought the insurance in the first place. A term conversion may be a good deal like a conservation interview. It is necessary to treat the policyholder just as if he had never heard the story in the beginning. Make the sale all over again, and if it was sound in the first place, it is likely to prove sound again for the conversion or conservation either.

But in the second factor lies the heart of the salesman's success. Some of our old friends come to light here — prospecting, resourcefulness, motivation. The prospecting job on this later interview may not seem to have been very intensive, and apparently it wasn't. But the underwriter had one significant fact, that two members of the firm were probably uninsurable. Without this one piece of information I am satisfied the business would never have been converted. So remember that prospecting may be essential with old policyholders; that prospecting is not to be thought of as just getting names, but rather as getting full and complete information about names.

Resourcefulness is something that we have not said much about. Someone has said that resourcefulness is mostly preparedness. I like that, for very few of us are truly resourceful. Mr. Engelsman has more than his fair share of this quality, and yet it is impossible to tell in reading of this case how much of it was

resourcefulness and how much preparedness. Without asking him, I would venture a guess that the comparison of the life insurance to a priceless ruby was well thought out in advance, as well as the excellent and thought-provoking statement about giving the customers of the firm an opportunity to take over. It is elements like these that make an interview take on life and color, and if the salesman has thought them out in advance he is all the more to be commended. Personally, I have found most of my resourcefulness returning to me in the elevator going down from an interview. If you feel a little the same way, remember that planning is the answer.

And the motivation was the heavy and repeated play on the idea that, "you have something here which if you let go you can never have again." We humans are tremendously affected by this thought, in almost any connection. The old sense of hanging on to what we have is pretty strong in us. Let someone try to take from you your least prized possession, and you'll be apt to up and battle for it. The senior partner was pretty sure the firm no longer wanted this protection. His attitude gradually changed as he became re-sold on its desirable features, which he had forgotten, and convinced that it could never be replaced or duplicated, which he secretly dreaded to chance.

CHAPTER XIII—Part 1—Engelsman

Selling Another Rich Man Who Had All He Needed

MY PROSPECT was a man 38 years old. He was married, had two children and was worth nearly $1,000,000. I had sold him over $250,000 of life insurance (more than enough at that time to take care of his taxes). His father was 74 and also in good financial circumstances. The time was 1929; things were booming; he was in the investment business.

My prospect, whom we shall call Jay Baskill Phelps, had told me that he was through buying insurance; he was putting his money into his own business, he had all the money he wanted and sufficient protection to take care of his taxes. While he was very pleasant to me, I had not been able to sell him additional insurance for nearly five years.

I knew, however, that he was extremely fond of his two children, and here are the details of a sale which I consider one of the most satisfactory I have ever made.

I went to Mr. Phelps and said, "Jay, for me to tell you that you need more life insurance is ridiculous because it's certainly obvious that should anything happen to you, your family would be well taken care of,

and with the insurance you now have, I realize there is enough to take care of taxes. Your father is not dependent upon you, and altogether and in every way you are all set. But, I am going to ask you a question. Is there anything that you really want now for yourself, or for your family, that you are not buying because you feel that you must stint and save? Oh, you may want an enormous yacht or something like that, but I don't believe your tastes run that way; I mean any of the normal things, or even extravagant things that men want. Is there *anything* that you are holding off buying because you are afraid you haven't the money?"

"No," he said, "there is very little; nothing important, of course."

"Well," I answered, "you've told me what you have been making, and I presume that I am correct in saying then that after each year, despite the fact that you are doing all the things you want to do, despite the fact that you have built a beautiful home, despite the fact that you have three cars and you are maintaining your family on a high scale, you have—at the end of each year—a surplus amount of money, haven't you?"

"Yes," he admitted, "I guess that is about right."

"And with this extra money you must seek investments," I went on, "that's true, isn't it? Now, these investments, Jay, will never do *you, personally,* any good, will they? After all, you have the things that you want; there's nothing else particularly that you do

want. You can't eat more than three meals a day without getting indigestion, and you can't drive more than one car at a time. So, from now on any money you invest that will bring a return, will be an investment for someone else. It will never do you any good personally (except perhaps let you feel a little bit more powerful financially). That's true, isn't it?"

"Yes, I think so," he said.

"Then let me ask you a question," I went on. "Your father is well to do, and he is nearly 75 now, isn't he?"

He said that was right.

"How long," I asked, "has your grandfather been dead?"

"Over 50 years," he replied.

"All right, Jay," I said, "if your father, despite his strong financial position, were receiving a check of just $100 on the first of every month from his father (your grandfather), and had been receiving it every year, in good years and bad over the last 50 years, do you think he would get a kick out of it? Don't you think he'd boast about it a bit?"

"You bet your life he would!" Jay replied.

"Check," I went on. "Now I want to tell you about one of the nicest investments for others that you can make with some of that surplus you have. You can make an investment of just a small amount, say $1,000 or $1,500 a year, in a type of contract, payable to Jay, Jr. and Eloise, which will provide that, should anything happen to you, they will receive as long as they live

(even if they don't need it they can give it to charity) on the first of every month $100 from their Dad—just in case."

"I'll take $1,000 of that now," he said.

The premium came to more than $1,000 (but within the $1,500) and the sale was made at the first interview on a binding receipt. The policies are still in force.

Mr. Phelps is not quite so well off now, and he needs his insurance more than he did before. He has made arrangements for income settlements through his life insurance, and has set up a trust, but—he insists upon keeping these contracts with the same beneficiary clauses, written exactly as arranged in 1929.

CHAPTER XIII—Part 2—Coffin

How the Phelps Case Was Sold

THE LIFE underwriter has every reason for feeling a sense of satisfaction over this case, for it shows some exceedingly good selling. In this illustration more than in any we have had to date, the idea's the thing. Doubtless one of the significant differences between successful and mediocre salesmen lies in the ability of the former to sense sales possibilities where apparently none exist. Surely most of us would have passed Mr. Phelps by as having no discoverable need.

Certainly all the ordinary ones were covered. But Mr. Engelsman again displays that philosophy on which I have commented before, and which we would all do well to cultivate, namely, that more life insurance is always good for a man, provided he can comfortably pay for it, whether a specific need appears or not. At the end of the tale we find "Mr. Phelps is not so well off." What a blessing for them if more prosperous investment men of this period had bought a little more life insurance than they needed, and how weak, I am afraid, were our attempts to help them do so.

Naturally the underwriter could not go to this prospect and simply say that more life insurance is good

whether you need it or not. He had to lead up to it some other way, and hit upon the extremely ingenious plan outlined above. First he agreed that no life insurance was urgently needed, thus qualifying himself as a thoroughly reasonable individual. Then he found out that his man was denying himself practically nothing—a line of attack which might have opened up the case right there had the answer been different. Next he brought out his main basic idea—that as Jay Phelps had everything he wanted that money could buy, and had also thoroughly provided for the future, therefore whether he liked it or not he was from this point forth earning and saving for others than himself.

So far so good. After qualifying the prospect on this thought, I suspect that most of us would have swung promptly to the children, and suggested that if this was the case, there was nothing the father could buy with greater possibility of enhancement for the children than life insurance. Which would have thrown us open to the very difficult, almost insurmountable objection that the children already will have all the estate that is good for them.

Mr. Engelsman dodged this pitfall with great cleverness. And you will forgive me once again if I remind you that this could not have been done without careful prospecting—his knowledge of the particular affection of Phelps for his youngsters, and especially the situation with respect to the grandfather. For grandfather and great-grandfather held the key to this sale. The

prospect was not asked to strain his imagination and picture his own children getting checks from him—not at first. He was given the much easier task of looking backwards rather than ahead, and picturing the thrill of an imagined relationship between grandfather and great-grandfather. Do you see what I mean? It is very important. It is so hard to stir the imagination of the prospect concerning things he has never experienced. Put them in terms of things he has already seen and it becomes far easier for him.

Stop reading for a minute and give yourself a little test. Think of the last several interviews you had, and decide how you could have employed this principle to help stir the imagination. Remember, the imagination of the prospect is not a self-starter.

Well, that's practically the whole sale. Our usual formula rather falls down, doesn't it? Analysis of the need?—there is none to speak of. Description of the plan?—briefly sketched in one sentence. Motivation?—some times we have said little of it is necessary. Now we may turn right around and say that if you have enough of it, you need nothing else. "Your investments are all for others—Jay Jr. and Eloise—grandpa and great-grandpa—" there you have it.

If you have to choose between them (which you don't), it is so much more important for you to understand human nature than it is your rate book.

CHAPTER XIV—Part 1—Engelsman

The Young Man Who Thought He Couldn't Save

I WAS 21 and my prospect, Dick Abbott, was 19. He was in his first job, earning about $17 a week. He was giving a few dollars of it home, but spending the rest. I had insured his brother, but Dick protested that he couldn't save money. In addition to this, as I knew him very well, he felt somehow or another that he would do business with me when he made some money, and that in the meantime, I should "lay off."

Nevertheless, for about six months, on and off, I kept trying to persuade Dick to save one dollar a week—and got just nowhere. Then I had an idea.

I went to see Dick one day, just around noon time, and said, "Dick, I left my pocketbook downtown. I have a few cents in change in my pocket, but I'll need that for carfare, and I want to buy some lunch. Can you lend me a dollar?"

"Certainly," he replied, and handed me a dollar.

I purposely neglected to see him for one full week, and then I made an evening date with him. When I met him the first thing I did was to give him his dollar. "Say," I told him, "I'm awful sorry I haven't paid you before this. You must be pretty well off if you

didn't miss it." I went on, then apologized again for not returning the dollar sooner.

He reacted exactly as I thought he would. "Gosh," he assured me, "I knew you were good for it, and I didn't need it anyway."

"Dick," I laughed, "I've played you a dirty trick, but maybe it's for the best, after all. You've been saying that you can't *save* one dollar a week, and yet you were able to *lend* me a dollar, and a week has gone by, and you have done everything that you would have done anyway without that dollar.

"Now, you and I are both starting in, we are going to earn more money as we go along, not less, and if you can stand one dollar out of your $17 now, as you have done for the last week, you can do just as well every week. And a little later on, when you get a raise, it will seem like absolutely nothing at all. So, from now on, I am coming around and borrow a dollar from you every week, and whatever one dollar a week will buy in life insurance you will have. I'll have our examiner come up to see you tomorrow. In the meantime, I'll work it out and tell you how much it will buy, and what kind of a policy you ought to have. This time there will be no arguments."

"You ———," he gasped. Then—"Okay, I guess you win."

That $1,500 20-payment life policy will be paid up in two years now.

CHAPTER XIV—Part 2—Coffin

What We Can Learn from the Abbott Case

IN THIS Abbott case we have to assume that the sale itself was a satisfactory one, for Mr. Engelsman has not given us a picture of that, but only of getting the premium. However, this reviewer may be permitted to suggest (under the latitude of his contract) that Dick might have been more anxious to save a dollar a week had he been more thoroughly steamed up about what he was buying. There is just a suspicion that the agent expected him to buy because his brother had, or because it was a good thing to do, or because it was his duty to start saving, or because a dollar a week ought to be easy, that the previous interviews had been random and hit-or-miss affairs, not very well organized, and with little motivation. But this is all conjecture, and if mistaken, the reviewer apologizes; submitting however that any doubt could have been cleared up had the underwriter given a more complete story of the case.

The stunt itself was a good one, and it worked. Maybe it smacks a bit of subterfuge, but after all, they were just a couple of kids, and there could be no serious criticisms on this score. The most important point to get is this: that this salesman shows again and again

his knack of interpreting life insurance, or premiums, or anything he is talking about, in terms perfectly understandable to the prospect. In this case the lesson was dramatized for Dick, and it is quite possible that he would not have learned it by any other means.

Earlier we reminded you that there are two primary ways to get the premium. One is to make it look easier to pay, and that method was used by Mr. Engelsman in this illustration. The other is to make the prospect want to do it. In most sales you probably employ something of each method, but with young single men like Dick Abbott it is my impression that we sometimes slight the second angle. Perhaps we are prone, especially if we are a little older, to assume that the young man recognizes his obligation to save, and that for so obvious a proposition as the desirability of saving money we need do no particular selling. This seems to me a mistake. The idea of saving in itself is not greatly motivating; spending is a much more attractive idea to the average youngster. And our hoary triumvirate, death, disability and old age, leaves the youthful prospect cold. Yet boys of this age are not really hard to sell if we interpret life insurance in terms which interest them. I have sold a good many, and so have you.

There seem to me two appeals of special interest to this class. Both have to do with his then paramount desire, which usually is to be successful in business. The first is to persuade him that a reputation for thrift will definitely help him get ahead. The second is to

show him how life insurance may furnish definite dollars for business opportunity.

To illustrate the first point, here is a story that has often been used with success. "Suppose, Dick, that you were manager of a business, and I was one of your department heads. There was a vacancy in my department, and I was seeking your advice as to whom to promote. I suggested to you two excellent young men. Both are bright and industrious. Both have studied evenings to equip themselves. Both have some money in the bank. They seem absolutely even, except that I tell you one of them also has a five thousand dollar life insurance policy which he took for his mother. Which one would you select?"

And the second point, involving definite dollars to be furnished by life insurance, necessitates mentioning the loan values, which some good life underwriters think should not be done, lest borrowing be encouraged. Properly handled, I think personally that it is quite all right to mention these benefits, to help the young man realize that life insurance may be of enormous help in an emergency of every day sort, without necessarily waiting for the coming of the Big Three. I used to do it simply and effectively enough by a baseball comparison. "If life knocks a home run against you (drawing out the diamond while talking), that means death, and your mother will get this money. But home runs are rare at your age. A three-bagger is disability, but that's rare too. Sooner or later there will surely be a

two base hit against you, for that means you have reached retirement age. While it is a great thing to get ready for that, you're not exactly worrying about it yet. But singles are common, and one may come your way in just a few years. These are business opportunities of one sort and another which you will have to pass up unless you have some money saved, or collateral, or at least have proved you were thrifty. Life insurance will help you turn that threatened single into a put-out if you get started on it early enough."

Well, there are lots of things you can say effectively to the young men: those two angles just occur to me. Just remember what his interests in life are, and you can get him as enthusiastic as his older brother, for the benefits of life insurance are not limited to one age, one sex, or one anything. Perhaps Mr. Engelsman used these or better illustrations with Dick. Anyway, we know that when it came to collecting the first deposit, he thought of a plan both ingenious and effective. And in 1938 that policy will be paid up; I'll bet Dick would never have accumulated that amount by other means, and that now he is pretty glad he loaned a dollar for lunch in 1918.

CHAPTER XV—Part 1—Engelsman

Delivery of a Not-As-Applied-For Case

ONE OF THE agents in my office, after many interviews extending over a period of months, finally succeeded in having a prospect examined for $23,000 of insurance on the family income plan. Then, after all of his work, the company would not issue exactly as applied for; they cut out the disability, refused to issue family income, and would only issue ordinary life.

While it is true that the prospect had succeeded in getting standard insurance some years before, it seemed to me that on this present application the action of the underwriting department was entirely justifiable; in my opinion, the applicant was lucky that he secured the insurance at all.

The agent tried to deliver the case, but in doing so he made excuses about not being able to submit the family income plan. He urged the man to take the ordinary life saying, "Perhaps, in a few years, we will be able to get a policy with some term insurance for you."

The applicant refused to take the contract. "If the company won't give me what I want," he said, "I don't want anything at all."

After this I went back to the prospect. "Mr. Blank,"

I said, "here's the story. While it's true that you were able to get whatever type of insurance you wanted several years ago, since that time you have developed a physical condition which you know about—and while it may not be terribly serious from your own point of view and even your private doctor's point of view, it puts you in a less desirable class as an insurance risk. As a matter of fact, after reviewing the case, with my experience in such matters, it seemed to me that the company had made more than a liberal offer in giving the insurance even on this basis. Now frankly, if this condition of yours gets worse, you will not be able to get insurance again at all. If it gets better, while I don't think there will be any chance of getting term insurance, you shouldn't have any further difficulty. But, if I were in your position, and felt that I was going to want more insurance and could find some way of digging up the premium, instead of buying the $23,000 we have here, I'd buy as much as I possibly could. After all, if the company can't afford to carry you on the term basis, it is all the more reason that you need this protection. Now, let's figure out just what the maximum amount of money is that you can set aside for an insurance policy for yourself and your family, and see what it would buy—and then see whether the company will take an additional amount."

"Why," he told me, "I don't even know whether I want to take this policy."

"That's entirely up to you," I assured him. "My job

is simply to tell you the facts as they really are. You are the one who has to make the decision as to your ability to pay, and your family will be the ones affected if you do not buy. The decision is up to you. As I said before, all I can do is give you the facts exactly as they are, and offer my advice as an insurance man. If I were sitting behind your desk, and were in your position, knowing what I do about life insurance I would buy as much as I could get."

He thought for a minute, took out his check book, did some figuring, and finally he asked me, "What would $600 a year do for me?"

I told him it would pay for about $30,000 and he then gave me his check for the semi-annual premium.

CHAPTER XV—Part 2—Coffin

Cashing in on Mental Attitude

IT HAS ALWAYS seemed to me that in the delivery of policies issued other than as applied for, or substandard, that the mental attitude of the salesman is easily 90 percent of the battle. Certainly this is borne out in the above case. The agent involved was almost completely negative; the general agent this time almost entirely positive.

First of all, it seems absolutely essential for you, the underwriter in the field, genuinely to believe that the underwriter in the home office has given liberal treatment, and that the applicant is really getting a break not to be declined. I don't mean that you can feel that way right off, when you first get news of the limitation. You have been hoping for the best, and as you have naturally made yourself an advocate for this applicant's insurability, it would be expecting too much to anticipate that on receipt of the home office letter you would promptly shift to a judicial capacity and view the case in disinterested fashion. You cannot be disinterested in a matter so vital to you, regardless of how honest you are or how loyal to your company. But you must try hard to regard this case, as the home office

is obligated to regard it, not as an individual whom you know so well, but as one of a large group of similar cases. Once you get this large group picture, the situation becomes easier for you to understand, for you recognize that while your company could certainly make an exception in this case without seriously damaging its mortality, that a series of such exceptions might well be very serious. And they cannot favor you over some other agent and applicant.

If after getting this viewpoint you still feel that the home office has acted unfairly, then talk to your general agent. If he is a good underwriter himself, in both senses of that peculiar word, he can very likely convince you. If he cannot, or if he has doubts himself, then go back at the home office for further facts and enlightenment on this type of impaired risk. I don't mean to pound them for a change of decision; that never does any good unless you have new facts to present. But you are entitled to such information as will help you place the business, which the company wants as much as you do.

This seems to be turning into a discussion of underwriting instead of an analysis of a sale. But my point simply is that you must feel right about these things yourself before you can get far with the prospect. In the above case the agent obviously didn't, for he was apologetic from the start. I know of no surer recipe for non-delivery of a policy than to adopt an apologetic attitude.

Contrast your own reaction as a prospect to the following two approaches: "I have your policy here but unfortunately I couldn't get it quite as you wanted it"; or, "Good news for you, I had a tough time because of that condition we discussed, but the company was willing to give you a break on the essential parts of it."

In the case above, the general agent had taken the first step; namely, to convince himself that the action of the company had been liberal. Then he made some good points. Take the one about the family doctor. Often you have trouble because a man's family doctor says he is perfect, then the company rates. Remember that this is only natural. The family doctor sees the man as an individual, not as a member of an undesirable group. Also he has been trained to minimize trouble, because of the psychological effect on his patient. Get these distinctions in your own mind, and it will help you handle such situations when they arise.

After you have presented the contract with all the conviction and enthusiasm at your command, but he still balks, what next? What's in his mind? Perhaps something like this: "I wasn't sure I wanted more insurance anyway. This premium will be tough to pay. If I get out of it now I can certainly use that money elsewhere. My doctor says I'm all right and I know I am. They didn't give me what I asked for. The deuce with it." In other words, he has cooled off, and does not regard the restrictive action of the company as of

any personal significance whatever, save that it irritates him and hurts his pride a bit.

So what? Wake him up a bit. Hear Mr. Engelsman: "with my experience in such matters"; "if this condition of yours gets worse"; "if I were in your position"; "your family will be the ones affected"; "if I were sitting behind your desk, I would buy as much as I possibly could." And the salesman means that, or it would be worthless.

When he continues to balk he is just plain foolish, and it's your duty to scare him out of it, as illustrated above. And remember again that the best defense is a strong offense. Don't point out that anyway he has a reduced premium because the extras were declined. Tell him that under the circumstances he should scrape up all the money he possibly can for life insurance. Which he should.

CHAPTER XVI—Part 1—Engelsman

Selling an Extra Annuity

I WAS SPENDING the evening at a relative's house about a year ago. During the course of the conversation one of the guests, who happened to be a client of mine, turned to me.

"How would you like to sell an annuity?" he asked.

"What do you think?" I countered.

"Well", he said, "a friend of mine who is about to retire from business was discussing the advisability of buying an annuity for himself and his wife a few weeks ago. I think, if you call on him, you may do some business."

"Do you think an annuity would be the right thing for him?" I asked my friend, who was on Wall Street.

"Yes, I believe in his case it would be a good idea—certainly worth giving serious consideration to," he answered.

"Then I'm going to ask you to do me a favor," I said. "Naturally I want to sell him, but I want a little build up. Let's get some writing paper—here in the library—and give me a letter of introduction to him. And, if, after your experience with me, you feel that I know my stuff, say so—mildly or otherwise."

My friend sat down and wrote the following letter—

"Dear Warner:

This will introduce Ralph Engelsman,
the best insurance man in New York.
Give him some time—you may be interested.

Sincerely,

(signed) Dick."

I went to see Warren Hackett the next morning and handed him the letter. As he read it I smiled and said, "It's a bit exaggerated, but I admit I'm pretty good anyway." Then I told him about how I happened to get the letter, and that I would like to discuss an annuity plan with him.

Mr. Hackett was very pleasant, but said: "I'm sorry, Mr. Engelsman, you're too late. I have just bought three substantial annuities in three different companies (naming the companies and telling me the type of contract he purchased.)"

"Well, I can't get all the business," I answered. "Naturally I'm sorry I wasn't in on this case, but I do want to congratulate you and whoever your agent or agents were, on both your plan and the selection of companies. But, there's one question I'd like to ask. Will the income from these annuities be big enough to do all the things you'd like to do, even in a moderate way? I say this because it so happens that within the next few weeks most companies have announced a reduction in return on annuity contracts, and if you suspect that you will ever want to increase this permanent

income, it is simply good business to do it right now."

He answered that this had already been pointed out to him by others, and that while there was some possibility of his buying more income, he would probably do the business with the men who had already served him. Then, suddenly he said, "By the way, while you're here there is one question about taxes that isn't quite clear to me. Maybe you can help me at that." And then he asked a complex question about something, the answer to which I thought I knew, but was not sure.

"Frankly," I said, "while I think I know the answer to that question, I'm not entirely certain that I'd be correct, so I'll look it up and let you know."

"Don't bother," he said, "I'll call my lawyer—he'll look it up."

With that and the usual good-bye courtesies the interview ended.

I jumped into a taxi—rushed to my office and put in a long distance call to my home office legal department, then was transferred to our tax expert, and within one hour after I left Mr. Hackett's office I had the correct answer to his problem. So I called *him* on the telephone immediately.

I said, "Mr. Hackett, the point you brought out—the question you asked about taxes on your annuity seemed to bother you, so I have just called our home office legal department and our tax man to get the answer. Here it is . . . ."

"That's very nice of you, Mr. Engelsman," he thanked

me. "I didn't want you to go to all that trouble—but I do appreciate it."

"That's perfectly all right—glad to be of service, Mr. Hackett," I answered. "Incidentally, I checked over those new rates too, and if you decide to buy any additional annuities now, there will be quite a saving. I'm putting a letter in the mail giving the details and if you don't mind, I'm going to take the liberty of calling it to your attention just once again before the new rates go into effect."

"All right, Mr. Engelsman," he said, "though I don't think there is much chance—and thanks again for that tax information."

I then got in touch with the man who introduced me—thanked him again—told him I had a splendid interview, and that though I was too late, I had a hunch that Mr. Hackett might buy more. Also pointed out the change in rates and said if by chance he saw Hackett (and would care to do so) he should, if possible, mention all these things—my saying it was a most pleasant interview—my being a good insurance man—change in rates—and reputation of my company.

Apparently my mentor did his job, for two days later Mr. Hackett called my office, asked for a few further details, and then came to my office to look us over. While in there, he signed an application and gave me a certified check for a $50,000 annuity.

I don't know who made this sale. Maybe Mr. Coffin can tell you.

CHAPTER XVI—Part 2—Coffin

Draft Lots of Helpers

LOTS OF PEOPLE made this sale. The center of influence who wrote the letter. The agents who sold the other three annuities. The directors of the life insurance companies who voted to reduce annuity returns. The legal department at the home office. The New York Telephone Company. The taxi driver. Mr. Hackett himself. Even Mr. Engelsman. If I just let my imagination run I can get almost everyone in on this case, including Franklin Roosevelt (no fooling).

But to be scrupulously fair, we must give the lion's share of credit to my colleague. Why? Because in selling it is a strength rather than a weakness to get lots of help. The help is there for most of us, but we are not always smart enough to see it and use it. Let's make this a sort of test case. Put yourself on the witness stand, and see how you would have come out. Perhaps it will be easier and more polite for me to put myself on the grill, so we'll try it that way. If any shoes fit you, put them right on.

In the first place, then, I find myself at a relative's home, where a client of mine kindly gives me a lead. Right away I wonder if any of my clients would be suffi-

ciently impressed with the importance of my work to offer such a lead, unsolicited, but I aquit myself on that score, as I think the better ones really would. But would I remember to ask this client "do you think an annuity would be the right thing for him?" It's doubtful, and perhaps not awfully important, but still it is part of a smart sale, for it commits my center of influence. Now he hasn't just given me a name, but he has given me advice about the case. It becomes his case as well as mine, and this may be important later, as it proved to be in this instance.

Next, would I take the trouble to get the "build-up" from my friend? Probably not; probably I would just write the name down and not bother with that letter of introduction. Guilty on this score, and a serious indictment against me, for that little letter can play an enormous part in making Mr. Hackett feel that I am not just another insurance man.

How do I come out in the interview proper? Not so well. When I find that Hackett just bought three annuities, I have sense enough to congratulate him on his judgment. But I am so disappointed that I forget to keep on selling; that when a man has just bought he is frequently the best prospect in the world. So it doesn't occur to me to ask him whether the income will be big enough to do all the things he wants to do. Guilty again.

But now he helps me out with a tax question. Like Mr. Engelsman, I, the average life underwriter, believe

I know the answer. But also I have been taught to be sure, so I say that I will look it up and report back. But he doesn't seem a good prospect, and I am pretty busy and a trifle lazy, so when he offers to get the information from his own attorney, that seems to me a pretty good idea. Perhaps I plan to look it up and call back, but the idea of using a taxi, the long distance phone, and the legal department, just so I can call him in an hour and add this special service to the prestige I am trying to build with him—well, all this never enters my head. Guilty a third time, for I may be competing with another agent on a straight annuity sale—prestige and special service are my only hopes.

To the final question I will plead guilty before the cross examination. Having a desire to follow Hackett a little further, just in case, I doubtless would make some sort of a call on him. This might work all right, but after all I have nothing very new to tell him, and it is likely to be a repetition of the first. The idea of enlisting the aid of my center of influence once more—seems too far fetched to be worth consideration. And yet it is his case as well as mine. He gave the lead, and approved the idea, and is a trifle chagrined because his tip came too late. His selling might be more effective than mine; he seemed awfully close to Warren Hackett. Yes, the idea has merit, but I'm afraid I pass it up as impractical, or just through sheer inertia.

Guilty am I on several counts. Do I hear you say

that none of them are very important? Men and women, the difference between big producers and little producers is found less in big things than in little things.

CHAPTER XVII—Part 1—Engelsman

The Other Fellow Tried to Sell Net-Cost

THOUGH I HAD been calling on a friend of mine for quite a number of years, I never could hit upon an idea to sell him.

I went to see him one noon time for the sole purpose of inviting him to lunch, but as he had just been divorced, he was hardly in the mood to discuss insurance. I had no idea of selling him either.

During the course of our conversation over the lunch table our talk turned to investments. He told me about buying $25,000 of bonds, on which he was receiving an income of about $100 a month. He boasted about his good judgment and how satisfactory his purchase had been. This information gave me the break I had been seeking for a long while, and I said to him:

"Martin Thurman, I have an idea for you. I know that you have some life insurance, and I realize your social situation at the moment is not one that would make you think about buying more just now. But still, I think you will agree with me that as time goes on you probably will be married again, and will be adding considerably to your insurance estate."

He agreed, and I went on. "Well, now I am going to

ask you a question which I want you to answer with complete frankness. Don't try to kid me nor yourself. What happens to this $100 you are getting each month out of this investment? Are you reinvesting it? Are you saving all of it? Are you spending it? What are you really doing with it?"

He said, "Well, really it's true I am spending most of it. I manage to save only a little here and there."

Then I said, "Let me ask you another question. Do you actually need this income now, I mean over and above what you are drawing from this business as your regular salary and business interest?" He said, "No, of course not. I can live very nicely on my interest in the business."

I said, "All right then, I have a suggestion. Let's harness that $100 a month to a $50,000 life insurance policy. Let the dividends accumulate and not only will you have increased your estate $50,000 (which I will admit is not absolutely necessary at the moment, but probably will be in the future) but you will have a plan for accumulating the money which for no good reason at all is gradually slipping through your fingers. In other words, this $25,000 investment will take care of a $50,000 life insurance policy, and you will have created immediately a $75,000 estate, and eventually you will have $75,000 in cash."

Much to my surprise he said, "That's a good idea. I have been wanting something like this for some time. I think I'll do it."

I said, "O. K. I'll have you checked over to see whether you qualify for the contract."

He said, "That's all right. But, there is a but. Here's the rap. Ralph, for years I have had someone who is related to me soliciting me for life insurance. I am not very fond of him, but in desperation I promised that if I ever bought any more insurance, I would buy from him, and I just have to keep that promise. I can't conscientiously get out of it."

So I said, "All right. But inasmuch as I have given you the idea, I think it's fair to say that you would not have bought had I not given you the thought, why not let me write a part of this? You decide what amount he should write and what amount I should write. I'll handle the business for you, and any division you decide upon will be entirely satisfactory to me."

He said, "That's very nice of you. I think we'll have to make it fifty-fifty." I said, "All right" and made the appointment for the examination.

It developed, however, that my competitor was not as generous as I think I was, for when I telephoned him and told him that the business had been written on his relative, and that he was to share fifty-fifty, he was a little bit annoyed because he didn't get it all. He agreed nevertheless to accept his share of the business, and asked that his part be put in his company, which of course was entirely satisfactory to me.

In view of the circumstances, I had not taken a binder on the case, and when I came to deliver my $25,-

000 I found that the other agent, who happened to be with a company which at that time had a slightly lower net cost than the company I represented, (although the gross premium was identical) had submitted *cost* figures for his company and my company, and was attempting to cut me out of the picture entirely.

Thurman greeted me by saying, "I'm glad you came, Ralph. Did you bring your figures with you?"

I said, "No. I've brought your policy." He said, "I know, but I want to show you some figures" and he proceeded to take out the comparison my competitor had made. On the $50,000 it showed a difference of about $25 a year in his favor. Thurman turned to me and said, "What do you think of these figures?"

I replied, "I presume that they are all right, and I am very pleased that your cousin took the trouble to put down my figures as well as his, for that will save me the time of doing it. I imagine he is honest, so I will assume that the figures are correct."

"What about it?" he said, "Why should I buy from you at all. Why not all from him?"

I said, "Because there is one item he neglected to tell you about, and that is that our dividends will be a dollar a thousand more than his, and he showed ours as less than his." Thurman answered, "How can you say that?" I went on, "I can't, of course, but if the best guesser is going to get the business, I am going to put in a good one."

Then, pushing the net cost figures aside, I turned to

him and said, "Martin, I want to talk to you. Whether my company or his company will be the cheapest for you in the long run is hard to say. All I know is that life insurance companies figure their premiums and rates on the same basis, and it's been my experience over a period of years that there is very little difference between any of them. But, let's assume that he is right, and you will be paying $25 a year more to me. It is really $12.50, because I am expecting to write only half of the business. But let's assume you are buying even the full $50,000 and paying even the full $25 more to me to write the business. Frankly, even under those conditions I think you are getting your money's worth, because as a result of the idea which I gave you, you will have saved $100 a month, which on your own admission you probably never would have saved otherwise. That's saving $1,200 a year. Multiply that by 20, and you have $25,000, and maybe even many more dollars that *I* have helped provide for some future time because *I* was on the job. The policy itself that you buy from an agent *can be bought through anyone.* The *idea* he presents to you is the only basis on which he can earn his commission."

I continued, "Thurman & Company, your company, is considered one of the biggest firms in the textile business. It advertises. It is very well known. It has a substantial reputation. It has a reputation for producing styles—ideas. I would venture to say that you are not always the cheapest in the market, but you give

service. You have the best goods to sell. You have new style merchandise. You put your stuff up in special boxes. And the only thing your competitors can do to get the business at all is to undersell you. Yet they don't get the business. Because you know what you are doing and your customers know it. Because you have the ideas that mean profits to them, and they are willing to pay for those ideas. Frankly, although it may seem immodest, I am Thurman & Co. in this particular deal. With one exception; I don't know whether this is going to cost you $12.50 extra a year or not. It may. On the other hand the situation may be reversed, and our company turn out to be cheaper. But whatever you do, whether you buy from me or this man, do it and do it now! The purchase from either company will be satisfactory to you. If you want to let him write my share, fine. If you want to let me write it all, that's O. K., too. The figures are as they are. They can't be changed."

He picked up the phone and called his cousin and said, (as he winked at me) "Bill, I have changed my mind, I am only going to take $15,000 from you." With that, Thurman turned to me and said, "How much will $35,000 be?"

Martin Thurman has remarried, has two children, and has since bought a substantial block of additional life insurance from me.

CHAPTER XVII—Part 2—Coffin

Meeting Net-Cost Competition

THIS SALE divides into two parts, and it is the second part that is the more interesting to us, for here Mr. Engelsman introduces, for the first time in this series, the question of competition. The preliminary interview was not really designed to be an interview at all, but illustrates once again this salesman's prospecting ability, and his knack of seizing an unsuspecting clue from mid-air.

The luncheon engagement was purely social, but the number of unsuccessful interviews in the past doubtless whetted the appetite of the agent for more than his food. Discussion of investments formed a good prelude for the familiar "I have an idea for you." The idea may not have been startlingly original, but it didn't need to be, for it tied up directly with the subject in which this prospect then had great pride and interest. Originality of ideas in selling seems to me not nearly so important as to select ideas that lie close to the heart of our prospect. That seems pretty obvious, but I suspect few of us give it the attention it deserves. We are apt to think that because an idea is interesting to us, it must also be to the other man. Once more, good

prospecting, whether in advance or on the spot as in this case, is the answer.

Note again the reasonable attitude of the salesman on which I have commented before. He does not insist that this man must have life insurance; in fact he admits that there is no crying need. This reasonableness builds confidence on the part of the prospect; gets the two men sitting at the same side of the table, instead of opposed to one another. In any event, the idea clicked promptly, so promptly that all of us with much experience expected some catch. In handling this obstacle the underwriter was fair and honest, expected the same on the part of his friend, and was rewarded with that friend's grateful appreciation.

Then along came the relative, with a probably natural desire to grab all the business if he could. Circumstances ultimately proved that he was not very smart to take this attitude, but this is perhaps not the place to lecture on the general advisability of adopting a generous attitude in business. Anyway, net cost competition was thrown squarely into the picture, and we look with interest at Mr. Engelsman's handling of the problem.

Note first the confident attitude. "I imagine your cousin is honest, so I will assume the figures are correct." This statement gets across several ideas: That Engelsman is so sure of himself that he does not need to check figures; that he regards himself as knowing more about the business than the cousin; that he is not

much interested in the figures anyway. All this forms a splendid background for the climax: "Our dividends will be a dollar a thousand more than his" and "If the best guesser is going to get the business I am going to put in a good one."

Now some of our readers are going to disagree with us about the propriety and practicality of this method of handling. Those who represent companies with a currently low net cost may be particularly annoyed. Yet I am going to support my colleague heartily in this instance, and state that I have known Mr. Engelsman to use similar words in a situation where his net cost was currently better than that of the competing company. Get this straight. Whether you represent a participating or nonparticipating company, with current cost high or low, with a long or short history of big or little dividends, it is still true that when you introduce this factor into the sale you run very great risk of having no sale at all. But you will say that in this case net cost had already been introduced by the competing cousin, and that the underwriter would, therefore, be obliged to give a more satisfactory answer than the one used.

Whether you are right or not depends largely on your own mental attitude. If you believe with Mr. Engelsman that any estimates of future dividends, whether based on past records or not, are actually guesses, then you can handle it as he has done. If you don't believe it, you can't. Personally, in view of what has happened

in the past few years, I don't see how you can believe otherwise. But whatever your feeling about that, keep ever in front of you that it is ideas that sell life insurance. If you have the ideas, you can sell on any figures.

The underwriter's handling of the interview from this point on is magnificent. Read it again.

CHAPTER XVIII—Part 1—Engelsman

The Lowly Dime-a-Day Approach

JUST A FEW weeks ago, while we were having a drive for business in my office, I made a statement that any man in the insurance business could, if he wanted to, go out any day and get an application. I told the men that even if they used the simple idea of having a young boy save ten cents a day in one of the regular small banks of the calendar type they could make at least one small sale almost any time.

So, to prove my point, I took one of these little banks and went out myself.

First, however, I selected as my prospect one of my policyholders, who I knew had a son somewhere between the age of 10 and 12. Then I went to him, simply put the bank on the table and said:

"Have you a dime in your pocket?" He gave me one, and I went on, "I want to show you this bank. You take this dime, put it in the bank, and the date of the calendar moves as you do so. There isn't a day that you come home when you don't have at least one dime in your pocket, is there? Well, here's the idea. Some day your boy is going to have insurance for the same reason you have it now, and here's an easy way to start a con-

tract for him. In this way you'll be giving him an opportunity of being through paying on a small policy at an age when you started to buy. I presume he is in good shape, isn't he? Well, I'll tell you what we are going to do then. I'll arrange for you to have one of these banks, we'll have him examined and we'll start on a small 20 payment life policy, leaving the dividends in, for whatever amount these ten cent deposits buy. It's a good idea, isn't it?"

He said, "It *is* a good idea." And he bought.

I have done this innumerable times in my insurance career. Sometimes it was a bank requiring a quarter deposit and other times the dime kind. It was also used in a number of instances where my prospect said he couldn't possibly pay for any more insurance, but was able to add, through the careful use of his small change, at least a clean-up contract to his program.

I'm sure the reader will be interested to learn that since writing the first draft of the above, I was so impressed by the simplicity of this bank approach that I called on the owners of the service station who supply my gasoline, showed them the 25c bank, told each to put away what amounted to about the price of a little more than one gallon of gas a day and sold them each $3,000 tied up to a business insurance agreement as a result of my presentation.

CHAPTER XVIII—Part 2—Coffin

So–Sing Something Simple

THIS SALE is really so simple that there is very little to analyze. But it does give me an opportunity to say another good word for simplicity itself. It makes no difference whether you are making a bank presentation or outlining a stock retirement plan, the more simply it is done the better. In fact, if the subject matter itself tends to be complex, all the more crying need for simplicity of treatment. Some underwriters seem to feel that if they can only confuse their prospect sufficiently, he will be too puzzled to make many objections. Perhaps he will. And too puzzled to buy, too. The bigger producers, whom you and I have often heard talk, are invariably noted for clarity of thought and simplicity of expression. Have you ever heard or read Grant Taggart, currently the chairman of the Million Dollar Round Table? Plain, everyday words, with unmistakable meaning behind them. Like many of the biggest writers he may even be called a man of few words. But how those few are made to count. When your mind hesitates between a big and a little word, always jump for the little one, unless the big one is needed to convey a different meaning.

Well, here we are a good distance removed from the bank sale. Probably the most important thing about a sale of this type, and any sale for that matter, is the attitude with which the underwriter approaches it. There is absolutely no argument about the workability of these little banks. Agents old and young, good, bad and indifferent, have demonstrated that they will work at any and all times. They were even effective in the very depth of the depression, when little else was. I have known them to work with members of the New York Stock Exchange, literally, and also with the ice-man. Why, then, don't you use them?

First you may say that you did use them with some success, but grew tired of the plan because there was not much to it, and it didn't require you to do any real thinking. That is a rather sound criticism, although if you are alert to the prospecting possibilities in this plan, you will find the job fascinating enough from that angle alone. Prospecting for special plans is a lot of fun; try it some time. Or you may react negatively on the bank sale because it seems lacking in dignity and importance. Such a reaction is nonsense. Admittedly, you would not want to spend all your selling time on this device, but there are certain men who can be served in this way better than in any other. One thing I admire in Mr. Engelsman is his refusal to become high brow about selling life insurance.

Lest I be misunderstood, let me hasten to say that that is no criticism, direct or indirect, of more elaborate

selling plans, provided they be kept simple. Nor is it to advise against special preparation such as that afforded by the American College. I think every qualified agent should work toward an ultimate C. L. U. But I also think that any underwriter, at any stage of his career, would find it stimulating and encouraging to take an occasional whirl at the little banks.

The sale itself amounts to nothing, but the prospecting is as always highly important. In the illustrations above, the little son of the policyholder and the service station men appear as perfect examples of good prospecting. Why? In the first case, a bank is obviously applicable with a little boy to be insured. The physical presence of the bank ties in with the father's traditional and long established thoughts about thrift. It is hard to see how he could say no, not because the sale was so powerful, but because he was so logical a prospect. Again, don't you see how tremendously important a part is played by prospecting? With the gasoline men you find a ready tie-up with one gallon of gas per day. Doubtless this could have been used without the aid of the bank, but there would then have been a loss of concreteness that might have left them cold. The bank makes it all seem so easy.

My colleague is absolutely right when he tells you that you can get an application the very day you read this article, if you want to. Get hold of some sort of bank, think up an ideal kind of prospect, and see what happens.

CHAPTER XIX—Part 1—Engelsman

Selling Ralph Engelsman

THE PROSPECT in this case was Ralph G. Engelsman; he and several others did the selling.

By 1929 I had already bought all the life insurance I expected to be able to pay for. My life insurance books were closed. I had what I thought was a nice program arranged, and the total amounted to a great deal more than I had ever dreamed I would own.

One day, Louis Lane (the man who brought me into the business and who had been my manager for nine years, and who upon my appointment as general agent insisted on being my first customer, presenting me with an application for $10,000 on the day I moved in) called me up and said he was leaving his company and had accepted a general agency somewhere else, and he wanted me to be one of the first to know.

I immediately thought of his generosity to me, and felt that the least I could do would be the same for him, and so I said: "You were very nice to me when I started my agency, and I'd like to return the compliment. I want to buy $10,000 in your new company. I want to be one of *your* first customers."

In that way I added $10,000 to what I considered

an already more than sufficient line of personal life insurance.

Phil Works, who was a supervisor of mine at the time, overheard my conversation. When I finished talking to Mr. Lane, he said: "Ralph, you can't buy $10,000 in another company without buying some in your own." Then he proceeded to sell me $5,000 additional in my own company, on the basis that there would be further increases in taxes as things went along and the $5,000 would probably come in very handy some day. I believed him (and it turned out that he was right), so I added another $5,000.

All of this happened just before I was selected to go on a six weeks' educational tour of the Penn Mutual agencies throughout the West. Our last stop on this tour was Oklahoma City, where an uncle of mine, Mr. A. D. Engelsman, an old time life insurance man, lived. We had a long talk one evening, during which he asked me about the amount of life insurance I owned.

I told him with great pride about my program, but, much to my surprise, he felt that I was underinsured. He pointed out my potential value as a general agent, the necessity for greater saving, and said that if I were his prospect, he would have sold me more insurance.

I laughed at this, because I felt that I knew my capacity for paying premiums, and I felt, furthermore, that I had reached or exceeded that point already, and I told him so.

"Of course," he said, "you know your own business

better than I do, but I just thought I'd give you my ideas on the subject."

From Oklahoma City we came back to New York, and arrived there just 50 days after the original examination I had taken for Mr. Lane and my own company. I received a telephone call that day from Mr. Lane.

"Ralph," he said, "I am going to use a method on you that I know you have used on many others in the past. I know that you never let the last day of an examination go by without calling, or reminding your prospect in some way, that he can buy additional insurance on the basis of that same examination. So, I am calling to tell you that tomorrow is the last day you can buy more insurance without being reexamined."

"O. K.," I told him. "I appreciate your calling, but I'm afraid I am not going to buy any more, and if I did, naturally I'd buy it in my own company, but I think your sales methods are good."

After I said "Good-bye," I began to think about a number of things.

I *had* made a practice of soliciting people for additionals on the last day. I *had* often felt that perhaps people were underinsured, and I remembered what my uncle had told me. In the end, I picked up the receiver, called my home office, and bought $25,000 additional ordinary life. That, I thought, certainly does close my books. I had the relief and satisfaction of thinking that now, finally, I was through buying life insurance. I have bought five contracts since that day—but I'm all through—until the next time, anyhow.

CHAPTER XIX—Part 2—Coffin

Why Ralph Bought

IN THIS CASE of Engelsman the salesman working with Engelsman the prospect we may not succeed in finding many lessons that will help us with our own interviews, but we certainly have an interesting cross section of human relations. And that's not far from being the same thing, or rather, it underlies the other.

As the scene opens back in the days of 1929 (when life insurance men like everyone else were making money easily and rapidly—remember that), we have our prospect in the frame of mind, genuinely, that he had finished building his life insurance estate. I remember well the insurance program which Ralph had at that time, and by ordinary standards his conclusion was quite sound. Curiously enough, he judged himself by ordinary standards, much as any prospect does; forgetting, perhaps, to look keenly into the future and consider those economic life values so often and so dramatically portrayed by Dr. Huebner. And he might not have changed his point of view for years, save for a purely personal happening.

The delightful relations between Ralph Engelsman and the man who recruited him, that kindly and splen-

did character, the late Louis Lane, are well known to all their friends. The exchange of personal applications between them was the most natural thing in the world. These two men really believed what I have mentioned so often in these pages: that a little more good life insurance will never do you any harm, if you can pay for it, whether you feel an immediate and urgent need or not.

In this instance observe how the personal transaction opened the mind of Engelsman the prospect, and made him susceptible to suggestions that would otherwise have left him cold. The lesson I would like you to draw from this is that any sale, however small or on whatever basis, may open doors that have long been rusted shut. For this reason, believing that the end fully justifies the means, I would not hesitate to use a personal appeal where others, more sound logically, have failed. Naturally I don't mean that we should go about "passing the platter," but I would not be afraid to use personal pressure where it seemed to fit.

Note also that Ralph felt an obligation to buy because of a past favor rendered. How many of your centers feel obligated to you for past favors of one sort and another? You should have many such; you are missing a bet if you are not constantly putting folks in this position. And you've got to enjoy doing it, or learn to enjoy it, or you will never be much of a life underwriter. The Connecticut Mutual has an agent in Baltimore, Bill Russell, who is a master at this; dozens of

cases have come to him because prospects have been grateful for help he has given them with their problems. Donnelly of New Castle, that great Equitable writer, used to make this a chief source of business. Not only is it profitable to obligate people to you, it's fun too.

Phil Works, now a general agent in St. Louis, had his old chief squarely on the spot, for he was just giving evidence that he had been well taught. His sales idea wasn't too strong, some vague notion about future taxes, but he was smart enough to know that Ralph couldn't resist the loyalty appeal of "some in your own company, too." You don't find this set-up in your own work, but a somewhat similar thought occurs to me: "Mr. Prospect, you have done this unselfishly, with primary thought for your family. Now here is an additional policy that is strictly for yourself, and you owe it to yourself to put this on too."

The only real selling in this case was done by A. D. Engelsman of Oklahoma City, a grand old man who has forgotten more about salesmanship than most of us will ever know. He made his sale, without perhaps realizing it at the time, in two ways.

First by really peering into the future and uncovering for his young and slightly complacent nephew, in whom he really had great confidence, a picture of future earnings and the drastic need for heavier savings. Ralph, like all of us, was thinking in terms of present

needs. His uncle opened new vistas before him, even as you must often try to do for your prospect.

Second, there was enormous prestige behind this salesman, and I have suggested to you many times in these chapters what you should be doing about that.

Mr. Lane gets credit for the final put-out in this case, for if he had not made his 50-day phone call, Ralph, in the pressure of other things, might easily have let slip his uncle's admonitions. And our clear lesson here is: *make it as easy as possible for the prospect to take action.* Leave no stone unturned; you never can tell just when he may be ready to do something.

I haven't given Ralph himself much of any credit for this sale, which is all right for a change. But he does get a big hand for being a good enough sport to apply to himself all the things he tells other people. If you haven't done that yourself, do it today.

CHAPTER XX—Part 1—Engelsman

When Coffin Was the Prospect

THE PROSPECT in this case was a gentleman named Vincent B. Coffin, and I am very anxious to see his analysis of the sale.

The time was 1928. Vincent was then an official of the company I represent, and it is the usual practice for officials of the company to buy life insurance through some agency. Like everyone else at that time, Mr. Coffin was dabbling in some stocks but he did take the precaution of hedging with life insurance.

One day he came to my office, told me about a stock purchase he had made, and bought a $2,000 policy from one of our agents. When the examination came through, it revealed the amount of insurance Mr. Coffin owned, etc., and on the basis of this information, I suggested that the agent issue out a considerable amount of additional insurance and sell it to Mr. Coffin—just as I would have done with any other prospect whose situation indicated a similar need.

The insurance was issued, but Mr. Coffin turned it down. He simply said that he had taken the original $2,000 for a purpose, and he felt he had enough insurance—so the policy was brought back to me. I told

the agent that I would try to place some additional, but I wanted to plan my sale carefully, and that I would probably wait until just before the examination ran out before talking to Vincent again.

On the last day, which was a Monday, Mr. Coffin and I were to be in Chicago to give some lectures—and we were to be on the train bound for Chicago on Sunday. I told the agent that unless he heard from me he should wire this message to Chicago: "The examination on Coffin runs out today."

While we were on the train, talking about this and that, the subject turned to life insurance (as it often does when two insurance men get together). I led into a further discussion of underwriting principles.

"You know," I said, "many of the underwriting departments think people are overinsured and turn them down on that basis because the home office underwriters themselves are underinsured. Subconsciously they compare the man on whose case they are passing to their own situation. If home office men had their own insurance programs well in hand, they would have a much better understanding of the field's problems."

Then I added that I thought this applied all along the line—to home office officials in general, not just to the underwriters.

"Take yourself for example," I said. "Let's try to apply the thing that we are going to teach these fellows in Chicago—the minimum income sales talk—to you. I'll be the salesman—let's actually go through your

affairs, just as you are advising the agent to go through the affairs of his prospects." Then I continued with the talk itself:

"Now, like myself and other married men, you give Gertrude so much each week or month to run the house on, don't you? That's to pay the butcher, the baker, for Rush's and Jane's clothing and so on, isn't it? Now what would you consider the least, not the most, but the very *minimum*—I mean deducting all expenses and all luxuries and your own expenses—etc., etc."

I then proceeded to give the rest of the minimum income talk verbatim.

I followed through with the same methods I would on any other prospect, and as a result, developed a need for an additional $17,000 to complete the program he felt, upon analysis, was necessary.

"This may have been a dirty trick," I said when we had finished, "but I know your examination runs out tomorrow, so I have a note in my pocket, made out for you. Sign it and you will be covered from this minute on. Write your name here, just as you usually do."

I can't put Mr. Coffin's exact reply in print, but had something happened to the Twentieth Century before reaching Chicago, Mrs. Coffin, Jean and Rush would have received $17,000 more than they would have when their father stepped on the train at New York.

CHAPTER XX—Part 2—Coffin

He Didn't Sell Me—I Bought!

THE THING that chiefly appeals to me about this case is the very logical and sensible attitude taken throughout by the prospect. I have never seen a better prospect. And actually, this prospect feels that he was not sold at all, but that he bought of his own accord. Which, as you know very well, is evidence of the finest type of salesmanship.

The original agent who handled the $2,000 policy got only his just deserts, for he had no plan for placing the additional. It was simply so much additional, and surely a prospect as intelligent as this one thought he was, did exactly the right thing in turning it down.

Forgetting personalities for a moment, Ralph's sale teaches us several things. First I would mention the time and place of the interview. The train compartment was ideal from every angle, but obviously you can't take all your good prospects on a trip to Chicago. But you can pay much more attention to the time and place of your interview than perhaps you do. If the case is an important one, it justifies any amount of planning on your part to find a time when the prospect will be relaxed, and a place that will be free from

interruptions and conducive to serious thinking. After you have aroused some preliminary interest on the part of your prospect, this isn't as hard as you might suppose. Your own office is one of the finest spots; have you used it as much as you might? Time and place have a definite part to play in the success of the interview.

The minimum income sale I had heard hundreds of times; in fact, had been teaching it. Curiously enough, I had never before had it applied to myself, where actual rather than artificial facts were used. I remember particularly how much interested I was when we began to figure out precise amounts for food, schooling, and the like. My own ideas were amazingly vague. Ralph was entirely leisurely, and would not leave one item until we had agreed on an amount. Aren't we inclined in the field to hurry these things too much? They form the base of the sale, but more than that, they are interesting to the prospect. They are *his* figures. What is more fascinating than to talk with someone, who is exerting no pressure at all, about your own plans and dreams? We make a great mistake when we hurry this part of the sale. It should be friendly, disinterested counsel, and if it is done in the right way, without trying to make any sale at the moment, the prospect will love it.

Understand please that what I have just said presupposes some prestige, at least to the point where you

are on a friendly basis with the prospect. A complete stranger won't love it; why should he?

A need for $17,000 insurance was fairly and squarely developed. I was the most surprised person on the train. In the two preceding years I had been gradually and unconsciously increasing my standard of living. My income had gone up too, but like every other prospect I was still thinking of my life insurance in terms of two years back, when I had so carefully arranged my optional settlements. If I could do this, when actively engaged in teaching other men life insurance selling, what do you think about your average prospect? When the need was clearly established, of course Ralph had me squarely on the spot. I couldn't make the customary objections; he knew too much about me, and I knew he had the answers anyway. But more significant, I really didn't want to. I wanted the additional policy. Probably I cussed him, as he implies, but really I was as pleased as Punch—with myself for being so smart.

I wish you would think a lot about this case. It brings out so clearly the enormous importance of developing the need in the prospect's mind. If you can learn to do this more effectively, you will be surprised to see how much easier it becomes to close.

Perhaps I should not tell the sequel, but I think I will. About four years later I was quite hard up. My standard of living had been reduced, due to the depression, like most folks. I needed money and I cashed in this policy. Ralph tried hard to save it, making sev-

eral phone calls from New York to Hartford. But this time he failed, because this time I had the answers—my lessened need for protection and my immediate need for cash. So he failed, proving that he is human after all. And now, as I write this, I wish I had not cashed in that fine old policy. Proving, perhaps, that I, too, am human after all.

Post Script

IN DISCUSSING the manuscript of this book with Dr. Rensis Likert, the able research head for the Life Insurance Sales Research Bureau, he asked me whether we had ever attempted to analyze the underlying principles running through these various sales. The answer was no, but since then I have found it most interesting to review Mr. Engelsman's cases with this thought in mind. The results, briefly given here, may be of practical value to some reader.

Four principles appear in six or more of the sales, and seem broad enough to be styled truly basic. Here they are:

(1) That a sale is likely to be effective in direct proportion to the quantity and quality of advance information secured about the prospect.

(2) That the establishment of prestige with the prospect is enormously important, by prestige being meant primarily a reputation for success as a life underwriter.

(3) That the showing of the need, crystal clear, is the very body and soul of the sale itself.

(4) That the underwriter's power is largely dependent on his mental attitude, and that mental attitude is helped in no better way than through the owning of really adequate life insurance oneself.

These seem to me tremendously significant. Read them again and notice an extraordinary and highly encouraging fact. Not a single one of them depends upon being a smart salesman in the accepted sense, nor even upon being a salesman at all. Every single one of them can be mastered by a man who is willing to pay the simple price of PREPARATION.

About twenty other principles appear here and there in the preceding chapters. Look through and find them. Then turn back to the four above—and lay some plans accordingly. Head work, not simply foot work, is the order of the day.

—Vincent B. Coffin